

The NATIONAL UNDERWRITER

Life Insurance Edition

106TH

ANNUAL REPORT to our POLICYHOLDERS

Highlights

(All figures as of December 31, 1949)

TOTAL INSURANCE IN FORCE	\$2,750,000,000	ADDED TO POLICY & ANNUITY RESERVES \$	67,000,000
Increase of \$148 millions over 1948.			
NEW LIFE INSURANCE ISSUED	262,000,000	DIVIDENDS APPORTIONED FOR 1950 .	14,400,000
An increase of 1.2% over 1948, and larger than any previous year in our history except 1947.		maintaining the same dividend formula used in 1948 and 1949.	
		ASSETS	1,082,000,000
		increase of \$85 millions over 1948.	
INCOME FOR THE YEAR	140,000,000	LIABILITIES	1,010,000,000
Includes \$105 millions of premium income, and \$35 millions from investments, but does not include \$23 millions left under options.		\$996 millions of which are policyholders' reserves, funds left on deposit, and dividends for 1950.	
PAYMENTS	57,000,000	TOTAL SURPLUS FUNDS	72,000,000
to policyholders, beneficiaries and annuitants, exclusive of dividends.		including \$17 million Reserve for Investment Fluctuation.	

COPY OF COMPLETE REPORT AVAILABLE ON REQUEST

Notes from the Record

"More than a million dollars a week, exclusive of dividends, were paid to New England Mutual policyholders and their beneficiaries in the year 1949."

★

"Of this amount, \$21 millions went to beneficiaries of policyholders who had died, and \$36 millions to living policyholders in the form of matured endowments, annuities and cash values."

★

"We have set aside for 1950 dividends the sum of \$14,400,000

which will be the largest dividend distribution in the company's history."

★

"An aggressive investment policy and a wide diversification of assets have enabled the company to show an increase for the third consecutive year in over-all rate of net investment income."

★

"The company continues its healthy and consistent growth, with Americans from Maine to Hawaii buying \$262 millions of new insurance, to

bring total insurance in force to a new all-time high of \$2¾ billions."

★

"While these figures reflect a very satisfactory year from the company standpoint, it is important to remember that life insurance ownership by the average family is not keeping pace with the family's increased income. Life insurance is bought, essentially, to replace earned income . . . and the amount of life insurance in force in this country today, substantial as it is, is less than the nation's income for one year."

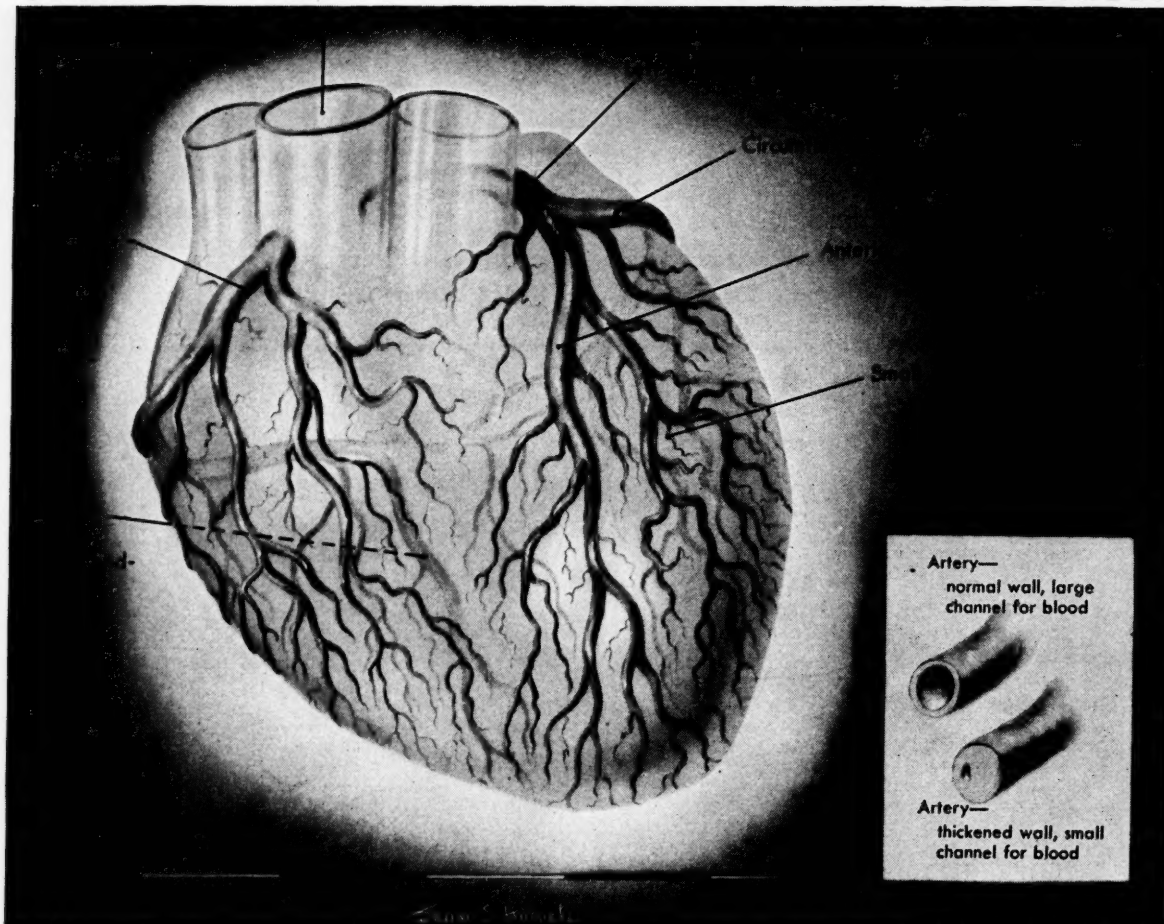
NEW ENGLAND MUTUAL

Life Insurance Company of Boston

FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA

FRIDAY, MARCH 24, 1950

GERIATRICS: HELPING OLDER PEOPLE ENJOY LIFE LONGER



Longer life for people past 40

Pictured above is the system of coronary blood vessels found in the normal human heart. Through this system the blood is conveyed to the heart muscles.

The coronary system of most individuals functions well day in and day out through a full lifetime. In certain cases, however, these blood vessels become impaired through gradual thickening of the wall (arteriosclerosis) and consequent narrowing of the blood channel. Coronary ailments are more prevalent after age 40; occur oftener in males than in females; have no relation to income or occupation; and have a tendency to run in certain families.

While many people regard coronary artery disease as a rapidly fatal illness, actually only about 10% of people so affected succumb to the initial attack. Many survive the first attack, make an excellent recovery and return to enjoyable living, with

only limited restriction on their activities.

Despite a rise in the number of cases of coronary disease due to increasing age of the population, medical science is making notable progress in prolonging the lives of these people.

Your doctor today has at his disposal many new techniques and devices for checking on the condition of your heart and arteries. Periodic visits to him and observance of common sense routines in your daily living give the best assurance that you will benefit from geriatrics—the science of helping older people enjoy life longer.

While advances in medicine may add many years of physically comfortable living, your full enjoyment of those years calls for financial solvency. This is best attained through a sound program of savings and life insurance. Your NWNL agent, paid not primarily for how much insurance he sells you but for what you keep in force, has a strong incentive to provide you with the insurance you need and can afford. He can help you plan wisely a financially comfortable future through life insurance.

FREE PAMPHLET: "Consider Your Coronaries" describes what you can do to minimize the possibility or the effect of this heart disorder. Sent free on request.

NORTHWESTERN *National* LIFE
INSURANCE COMPANY
Minneapolis Minnesota

N.A.L.U. Picks Atlantic City for '52

Federal Agencies' Misrepresentations Hit by Benson

**President Marshals
N.A.L.U. Against Direct
Group Placements**

OKLAHOMA CITY—Any overt act in the way of writing group coverage without recognizing the services of an agent or paying a commission on such business would be considered as an unfriendly gesture toward the National Assn. of Life Underwriters and the agency system and a significant failure on the part of the officers of that company to recognize that no company would have achieved its significant place in the life insurance industry without the tireless efforts of its agents, President Judd C. Benson of N.A.L.U. declared in his report at the midyear meeting of the national council of N.A.L.U. here.

"Such an act," he said, "would be comparable to a commercial corporation's ignoring the salesmen who had built its volume of business and prestige to the point where the corporation could, in fact, move along very nicely without the further services of the salesmen. In order that there may be no misunderstanding, this statement is made in due recognition of the fact that no important company has taken such an attitude and N.A.L.U. expresses full confidence that the management of no important company will do so."

Mr. Benson noted that while there have been rumors to the effect that some companies of major importance were considering the advisability of negotiating contracts for various employee benefit plans with employers of large groups of workers without recognizing agents or paying commissions, "we are pleased to advise you that to the best of our knowledge no company of major importance engaged in the group underwriting field has chosen to ignore the importance of the agent in such cases, nor indicated its willingness to negotiate contracts without the services of an individual agent."

Altmeyer Ignored Life Insurance

Discussing social security, Mr. Benson said that in presenting the government's case for a greatly expanded social security coverage and benefits, the administration spokesman, A. J. Altmeyer, neglected to inform the Senate finance committee that during 1948 some 79 million Americans saved more than \$7 billion, which was paid to life companies as premiums. This is in contrast to the total OASI payroll tax on employers and employees of slightly more than \$1,696,000,000 for the same period. Thus the public saved voluntarily through life insurance more than four times as much as the employees and their employers were compelled to pay through payroll taxes for social security. Benefit payments for the same period to living policyholders and bene-

Stassen Proposes Federal Health Reinsurance Corp.

To enable Blue Cross and other voluntary plans to provide longer periods of hospitalization, a proposal for creation of a Federal Health Reinsurance Corp. along the lines of Federal Deposit Insurance Corp., is advanced by Harold E. Stassen, president of University of Pennsylvania, in an article in the March Reader's Digest, the fourth in a series telling of the shortcomings of British socialized medicine.

Mr. Stassen thinks that Blue Cross and similar plans should furnish the pattern for improving and extending hospitalization services in this country, but he thinks the limit of three weeks usually set is too short and suggests that it should extend up to six months when necessary. Cases where longer than three weeks is required are few, but he says they represent a serious problem, even a catastrophe where they occur.

Reinsurance Plan Proposed

He would have the reinsurance corporation start with an initial appropriation of \$50 million and thereafter match funds paid in by local plans, which would contribute 2% of annual premiums and receive back two-thirds of the excess over \$1,000 paid out on any one case, with a stipulation that hospitalization up to six months be provided. The patient would be required to pay possibly \$1 per day or 5% of his total bill, to discourage abuse of the insurance privilege. Blue Shield medical coverage would be handled in the same way.

Limitation of additional charges by hospitals and doctors for an insured patient is proposed. If patients ask for better rooms or extra service, this would be limited to say 25% of the insurance coverage, except with written consent of Blue Cross. Coverage for doctors' calls up to 12 a year, eliminating the first, is suggested and possibly 95% of medical and surgical care in hospital, with a fixed scale of charges established.

Mr. Stassen estimates that under the program he outlines, insurance for both hospital and medical service for self and dependents could be issued at approximately \$5 per month per employee.

ficiaries of deceased policyholders was substantially in excess of \$3 billion which is in contrast to the benefit payments of \$607 million for the same period for OASI benefits. Thus policyholders provided themselves with five times as much direct benefits through private insurance as were paid out by the social security administration.

Mr. Benson observed that by itself Mr. Altmeyer's statement gave the impression that the American public is not only destitute but improvident and that unless Congress in great haste improves the social security act all retired workers past age 65, as well as widows and orphans of deceased workers, will be candidates for the relief rolls.

Altmeyer's only comments on life insurance were to the general effect that the life companies had been unsuccessful in administering a program of total

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Feb. Life Purchases Largest for Any Month on Record

February purchases of new life insurance were the largest for any month on record, Life Insurance Agency Management Assn. reports. The record total was due in large part to a 282% increase in group life insurance purchases over the corresponding month last year, much of this increase coming from the new group programs of Bethlehem Steel and several other large firms. All types of life insurance showed increases, however.

Total purchases in February were \$2,335 million compared with \$1,711 million in February, 1949, an increase of 36%. The ordinary life total was \$1,207 million, up 5%; industrial \$433 million; increase 15%; group \$695 million, increase 282%. The purchases represent new groups set up and do not include additions of insured personnel under group insurance contracts already in force.

In the first two months, total life insurance purchases were \$4,080 million, an increase of 16% over the first two months of 1949. Ordinary life accounted for \$2,347 million, increase 2%; industrial \$835 million, increase 14%, and group life \$898 million, increase 78%.

Wholesale life insurance, previously shown under group, is now included in ordinary.

Want Data Before Changing N. Y. Law

Observers believe that life companies interested in getting the New York state law amended to permit expanded investment authority will have to present a carefully documented study to the joint legislative committee on insurance rates and regulation before the committee will act. A thorough analysis of the subject will be needed supported by an adequate volume of statistics.

Superintendent Dineen is understood to be favorably impressed with a report of the trust division of the New York State Bankers Assn. which took several years to prepare and which in its completed form includes numerous statistical tables and fills a 168 page volume. The bankers submitted the long report with one suggested bill to amend the law limiting trust investments to a legal list of bonds. The insurance committee had eight different bills suggested to it for action by different companies.

Broaddus Quits Guardian Life Post at Chicago

Lynn Broaddus will resign as manager for Guardian Life at Chicago on April 1. Alan D. Rosenthal, assistant manager of the Goldman agency of Prudential, will succeed him. Mr. Broaddus is retiring from the business.

White Trust Council Speaker

Dr. Edwin H. White, R. & R. Service, will discuss "Life Insurance and Estate Planning" at a dinner meeting of Milwaukee Life Insurance & Trust Council March 27.

Slate Chicago for Midyear; Oppose Compulsory A. & H.

**Trustees Decide
Anti-Inflation
Drive Beyond Scope**

By ROBERT B. MITCHELL

OKLAHOMA CITY—At an all-day session that didn't wind up until nearly midnight Tuesday, National Assn. of Life Underwriters trustees disposed of a lengthy agenda that included picking Chicago for the 1952 midyear meeting and Atlantic City for the annual meeting that year; adoption of a resolution, subject to national council approval, opposing compulsory health, hospitalization or medical care insurance; and deciding that it was not within the association's province to act on a proposal vigorously put forward by the Nebraska Life Managers Assn. that N.A.L.U. sponsor an organization that would collect money from life agents and the public to fight further loss of purchasing power of the dollar.

The trustees discussed the advisabil-

Tide of Support

Charles E. Cleeton, Occidental Life, Los Angeles, N. A. L. U. secretary and membership chairman, announced that the membership as of March 22 was 40,482 as against 36,549 at the same time a year ago. The current figure exceeds the Dec. 31 figure of 1945.

A significant figure viewed as indicative of support of N. A. L. U. policies is the number of new members, which is 7,055 as against 5,190 a year ago.

ity of holding the midyear meeting each year in the same centrally located city. The trustees suggested that the question be studied. Minneapolis had previously been selected for the 1951 midyear and Los Angeles for the 1951 annual meeting. The invitation to hold the 1952 annual meeting at Atlantic City was conveyed by Leroy Garbrant, New York Life, Asbury Park, N. J., N.A.L.U. trustee.

More than two hours were devoted to the discussion of the Nebraska proposal. This was the main reason for the meeting going into extra innings. Normally the procedure would have been to let the committee on public information take up the proposal on Wednesday and then let the matter come back to the trustees later in the week but it was felt that it was something that the trustees should handle in toto.

"American Society for Solvency"

The plan to form the "American Society for Solvency" was presented by Paul C. Kaul, Connecticut Mutual, Omaha, president of the Nebraska managers; Conn W. Moose, American National, Omaha, father of the idea and Will F. Noble, New England Mutual,

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Parkinson Leads Opposition at Tax Bill Hearing

Sees Passage of Doughton Measure Leading to Litigation

By HENRY HALLAM

WASHINGTON—That the Doughton bill to tax life insurance companies some \$93,000,000 on their net investment income for 1947-49, will not be approved by the Senate without a fight was indicated at the first hearing on the subject before the finance committee last week. After 2½ hours, during which about a dozen witnesses, including four members of the House, testified, Chairman George announced the hearing could not be completed that afternoon. Remaining witnesses would be notified, he said, of a later date.

Edward J. Schmuck, general counsel, Acacia, promptly bowed out, saying he

Union Central will testify on the Doughton bill when the Senate finance committee resumes hearing on that proposal March 29. Acacia will oppose the measure. Ellsworth Alvord, U. S. chamber of commerce, may appear.

could appear any time. Clarence C. Klocksins, legislative counsel, Northwestern Mutual, however, announced he was from out of town. The committee thereupon heard him make a brief protest against the bill, which he based upon ground of "conscience," so to speak, and the unreasonableness of retroactive taxation for two or three years.

There still remained to be heard also Ellsworth C. Alvord, U. S. Chamber of Commerce, who opposed certain life insurance tax plans before the House ways and means committee at its hearings on general tax revision, with still others believed to be in the offing. Acacia planned a presentation in favor of the company-by-company approach to the taxing problem.

Doubt About Retroactive Features

Finance committee members appeared to indicate by their questions and remarks considerable doubt about the retroactive features of the Doughton bill, whether life insurance companies should propose to pay taxes on income for years back of 1949, the constitutionality of the bill, and whether it would not be better to adopt a permanent plan of taxation of the industry, instead of putting through stop-gap legislation at this time.

The bill was supported by the four House members—Chairman Doughton of the ways and means committee, Chairman Lynch of its subcommittee on life insurance company taxation, Representatives Camp and Simpson, and Vance Kirby of the Treasury department tax staff. A. J. McAndless, president Lincoln National and chairman of the joint taxation committee of the Life Insurance Association of America and the American Life Convention, and Claris Adams, president Ohio State Life, testified in favor of the bill.

Parkinson Heads Opposition

It was opposed vigorously by Thomas I. Parkinson, president Equitable Society, who led the fight against the measure on constitutional grounds. He hinted to the committee "respectfully,"

(CONTINUED ON PAGE 7)

Illinois Expects Full House on 31st

Plans are nearing completion for what will probably be the largest annual meeting ever held by the Illinois State Assn. of Life Underwriters, because the new method of delegate allocation according to size of the local association, now means there are 360 delegates rather than the 135 there were in the past. The meeting will be held March 31 in Chicago.

William E. North, manager New York Life at Chicago, the first vice-president, is certain to be the choice of the nominating committee for president. There will be three other officers and five directors to be selected by a nominating committee which consists of Francis P. Beiriger, Connecticut Mutual, Rockford; N. Eric Bell, State Farm, Bloomington; Robert R. Reno, Equitable Society, Chicago; B. J. Stumm, Northwestern Mutual, Aurora, and Earl M. Schwemm, Great-West Life, Chicago, chairman.

The meeting will begin at 10 a. m. and lead off two solid days of meetings at Chicago, which includes a managers' conference the afternoon of March 31 and the sales congress of the Chicago Assn. of Life Underwriters all day Saturday, April 1.

The afternoon of March 31, the Illinois Round Table, quarter million dollar production club, will hold its spring meeting. Speaker will be Frank H. Beach, professor of marketing at the University of Illinois. He will talk on "Selling Business Insurance."

F. J. O'Brien, vice-president and sales promotion manager for Franklin Life, addressed a meeting of Kansas City Advertising Club, being introduced by Jack Morris, sales promotion manager for Business Men's Assurance.

Eye Insurance-Loan Tie

Commissioner Cheek of N. C. Holds Hearings in Move to Eradicate Abuses

RALEIGH, N. C.—Standardized policy forms for life and A. & H. policies written in connection with small loans were suggested during the first of a series of conferences on which Commissioner Cheek plans to base regulations governing small loan business.

Other suggestions also were advanced during the two-hour conference attended by 23 company representatives and several members of the commissioner's staff. Specific recommendations were left, however, to a committee of six named by the group at Mr. Cheek's suggestion to study the problem.

On this committee are K. A. Landon of Miami, representing Union Mutual; B. M. Anderson of Hartford, Connecticut General; Harry O. O'Brien of New York, Bankers Security; H. F. Ledford of Raleigh, State Capital; Justin E. Langille of Greenville, S. C., Liberty Life; and J. A. Law of Charlotte, N. C., Pyramid Life.

Landon Makes Suggestion

Mr. Landon suggested standardizing the policy forms after the conference produced reports that wide variance in policies now being written is one of the major faults of the system. Bascom Baynes of Durham, representing Home Security Life, which he said is gradually retiring from the small loan business, said his company has "a different type plan for about every kind of bank we do business with." Mr. Baynes said he believed that "we will have to get together on a unified system."

The policy variance has developed over the years, he said, because of the requirements made by the various institutions handling such insurance in connection with loans they make. Others

attending the session said they had encountered the same situation.

Arch Allen of Raleigh, representing State Capital Life, termed Mr. Landon's suggestion "a very fine idea."

Mr. Cheek warned the group that abuses of the small loan policies threaten the existence of the business. Personally, he said, he thinks there is a real need for such insurance "and I don't want abuses here and there to endanger it."

The commissioner said he was concerned with a number of phases of the business. He cited specifically (1) how a policy writing fee should be charged; (2) how to prevent a loan company from collecting a premium and keeping it without notifying the insurance company; and (3) the use of coercion in selling the policies.

Sees Possible Violation

"I don't think these loan agencies should load a man up with insurance just to collect the commissions," the commissioner said. "When they do that, they may not be violating a law right now, but I can assure you there will be a law to prohibit it before long."

Policy-writing fees now range from \$1 to \$2. Mr. Cheek said he was debating whether these fees should be on an annual basis or should be required each time a loan is made. According to Mr. Landon, borrowers average about three loans each per year. "It is unbelievable," he commented, "how the same people seem to stay in debt all the time."

C. A. Rollins of Birmingham, representing Protective Life, expressed the thought that any regulations should provide for control of the so-called "profit-sharing" arrangements whereby lending agencies with a good loss experience receive back part of the premiums, making their share larger than the customary commission. Actually, Mr. Rollins said, these premiums should be returned to the insured instead of the agency.

Suggests Detachable Receipt

Wofford Humphries, chief deputy commissioner for the state, suggested that a detachable receipt for insurance be placed at the bottom of loan applications. This would inform the borrower that he is entitled to a receipt for any insurance he is required to carry, he pointed out. One of the complaints heard, Mr. Humphries said, is that in many instances borrowers never receive any evidence that they have insurance, and in some instances the premiums they pay are in excess of the cost of the insurance which actually is issued.

"We should undertake an educational campaign in the newspapers to let the public know they are entitled to the policies and should insist upon getting them," commented Mr. Landon.

"We must recognize that lending has become a legitimate springboard for selling insurance," Mr. Landon continued. "I think collateral requirements should be minimized, but borrowers need some amount of insurance. When it reaches the point where it is only an accommodation to the lender and means nothing to the borrower, it ought to be stopped."

"We need to control it a little better," observed Mr. Baynes. "Blank coverage with no policy issued is not fundamentally sound."

James M. Bates of Durham, representing Home Security Life, suggested including the policy fee in the premium. However, Mr. Humphries said this would raise a question of discrimination.

Commissioner Cheek stated at the second conference that it is his intention "to consider any one writing insurance policies as an agent, whether he be employed by an insurance com-

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HITTING THE BALL

In hitting a golf ball or a baseball, it's not the brute strength which counts. It's the skill, the "know-how."

It's not the perfection of the golf club or the baseball bat that makes the champion.

It's the controlled power and skill in the use of these instruments that makes a top golfer or home run king.

"Knowledge," as the Greeks discovered centuries ago, "is power!" Know your business and you will succeed, whether you are a cobbler or a King—or, better still, an insurance man!

Insurance in Force February 1, 1950 — \$434,524,178.

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

N.A.L.U. Committees Offer Important Proposals

The reports of the secretary and all but nine of the 28 committees were, as usual, printed and sent out well in advance of the Oklahoma City midyear meeting of National Assn. of Life Underwriters and presented at the national council meeting in summarized form. The committee chairmen brought the members up to date on any changes since the reports were printed.

Following are summaries of the reports as printed and sent out in advance of the meeting. Committee meetings were held Wednesday. Changes in committee reports made up to press-time Wednesday will be found in the running story of the meeting that appears elsewhere in this issue.

NSLI INCUBUS

The committee on affairs of veterans and servicemen, headed by L. J. Grayson, Lincoln National, Washington, D. C., reported that it now receives a copy of every official press release issued by the veterans administration concerning government insurance and has been able to straighten out some of the misleading statements carried in the press about the national service life dividends. The committee commended the local associations which have sponsored numerous meetings to discuss the true facts of the NSLI dividend, so that they would be in a position to give their clients the true picture of the situation. The committee reported that numerous talks had been given before various public groups with the cooperation of the veterans' committee and that an unbelievable number of factual press releases in local newspapers have emphasized the principles underlying these dividends.

The committee reported that section 5 of the Hook committee report, including the recommendation approved by N.A.L.U. for substituting gratuitous insurance for NSLI for military personnel on active duty, was shelved last year. At present the proposal is resting in subcommittees of the house with little likelihood of being released in the future. The report comments, "In the meantime, the official policy of N.A.L.U. remains unchanged. We feel no opportunity should be missed to make the Hook committee recommendations effective."

The report comments, "Our members have always cooperated with the Veterans Administration in encouraging veterans to reinstate and convert their NSLI. It is the obvious duty of life insurance agents to continue these activities. However, at this time, we feel our members have an added responsibility. They must be in a position to discuss the current National Service life insurance dividend on an intelligent basis. We would, therefore, urge each member to become thoroughly conversant with this important subject and ask them to continue to promote a truer understanding of National Service life insurance dividends by their clients and the public."

SECRETARY'S REPORT

Reporting as N.A.L.U. secretary, Charles E. Cleaton, Occidental Life, Los Angeles, said that 11 associations have been organized since the last annual convention and their election as members of N.A.L.U. has been recommended. The associations are at Campbellville, Ky., Kannapolis, N. C., Leavenworth, Kan., Marion, Ind., Meadville, Pa., The Dalles, Ore., Sandusky, O., Middletown, N. Y., Paris, Ky., Sweetwater, Tex., Leaksville, N. C.

The Sault Ste. Marie and Van Wert (O.) associations have disbanded and allowed their N.A.L.U. membership to

lapse. The net increase of nine associations brings the total number of associations in N.A.L.U. to 563.

COMPENSATION

The report of the committee on compensation, headed by John R. Humphries, Provident L. & A., Chattanooga, says it should be clearly understood that any specific recommendations for revision in section 213 (the expense limitation section) of the New York insurance law should by no means be based on N.A.L.U.'s previous minimum recommendations but "should represent a realistic appraisal of what the maximum compensation should be."

Such recommendations as 50%, nine 5% renewals, service fees, pensions, and similar benefits were stated to represent the minimum basis of compensation for a career agent. "This minimum basis of compensation which our members feel may be justified should by no means be interpreted as the maximum basis and written into the law. . . . The limitations set in the New York law are not minimum limitations but are absolute maximum limitations and according to Superintendent Dineen, once established should remain for 15 or 20 years without modification."

The compensation committee's subcommittee on section 213 did not include its proposed revision of the section in the preprinted reports, feeling it was wiser to discuss it first with the trustees at Oklahoma City. The full committee fully endorsed the subcommittee's work and urged that all members complete the questionnaire on agents' earnings as soon as possible. It

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Producers Set Loose in N. Y.

NEW YORK — The approval by the New York department and workmen's compensation board of policies and rates of a growing number of companies for writing disability benefits business has set loose producers who have been restricted to getting tentative commitments for business for some months. Nearly all of the bigger groups have long been lined up by insurers, but considerable activity is expected among groups of four to 25 employees. Competition for this small business will be hot. For example, the big industrial companies have primed their thousands of agents in the state to go after it. The group sales side in life, casualty and A. & H. companies has been well prepared.

Companies expect to do a thumping amount of business and hope to overwhelm state fund competition by sheer numbers of salesmen as well as greater benefits. The major problem will be the establishment of administrative procedures for the smaller plans, servicing them, and complying with red tape regulations.

Plans will not become effective until July 1 and no premiums will be due, nor benefits payable, until then. Most large insured are expected to, or have already indicated, that they will be interested in higher benefits than those available from the state fund. Union pressure will be put on employers who aim to provide only minimum benefits.

The subcommittee of the committee on valuation of securities of the National Assn. of Insurance Commissioners met at New York March 21-22. Candidates for the three positions of junior statistician were interviewed. Among the other subjects was the engaging of the committee's economist.

N. Y. Life Warns Policyholders of Inflation Dangers

Recommends Appointment of Committee to Study Entire Pension Problem

New York Life's 1949 annual report to policyholders warns against the possibility of serious inflation and suggests that it will be well for the country to "determine whether agriculture, industry and commerce are enjoying a soundly earned natural expansion or whether our delicately balanced economy is getting out of control." The report cautions against government spending over and above income and says "many of us have forgotten that what has been spent must be paid for some time, in one way or another, by someone."

Signed by Chairman George L. Harrison and President Devereux C. Josephs, the statement comments "if we are to continue to enjoy the benefits of a dynamic economy and a free society, we will have to practice the same patience and self denial on the government level as we must observe in our own personal affairs. We must choose between patience and the achievement of desirable social objectives, and inflation which may depreciate savings even further and may, if persisted in, eventually destroy the very way of life we seek to create. Responsible minded policyholders and citizens must encourage and cooperate with those elected to public office, national, state and local, to resist courageously the pressure to spend more and tax less."

"As citizens, we view with alarm the free spending which is currently going forward, but as individuals we enjoy our share of the benefits. The immediate pleasure of receiving the benefits dulls our knowledge of the debt we have bequeathed our children."

Broad Pension Study

Commenting on private and government pension programs it says "up to now primary attention has been paid to benefits rather than how promises will be fulfilled. The entire question and all its ramifications ought to be studied by a special commission appointed at the highest level. The commission must be impartial and representative of government, management, labor and the public as a whole. This is an urgent problem and should have immediate consideration."

Set up in question and answer form the report discusses company "profits," dividends, advertising, and the company's place in life insurance. The report notes that the company is making a continual effort to keep expenses at a minimum and says that "in 1940 there were 19 employees for every 10,000 policies while in 1949 the company had only 14 employees per 10,000 policies." The company's investments in small business in the form of mortgages, loans and the size of its loans are emphasized. The company set aside \$25 million to establish an asset fluctuation fund to take care of possible decreases in investment values.

Par for Parkinson Sales Drive Begins April 1

Equitable Society will begin its ninth annual "Par for Parkinson" sales campaign April 1 with a quota of \$150 million of ordinary volume established. The campaign is named for President Thomas I. Parkinson. Production leaders will attend as guests of the company, one of three presidential meetings scheduled at Chicago May 19, San Francisco May 22 and New York City

Plantation Responsibility

H. Gray Hutchison, CLU, of Maryville, member of our Browder Agency in Tennessee, was trying to sell life insurance to a woman doctor. They talked of another case where insurance was being used to provide education and rehabilitation for the two polio-paralyzed children of a policyowner.

The woman doctor said "I don't have any children, but I have a colored maid who is as close to me as anybody in town. She has been with me from the time she was a little girl. She is now married and has a little boy. I would like to see this little boy get an education." Accordingly, the doctor took out insurance on her own life made payable to the boy or to his mother.

Said Mr. Hutchison: "The doctor had what I like to call the old-fashioned plantation sense of responsibility."

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

O'Toole Describes Essential Agency Department Records

Raymond J. W. O'Toole, partners in O'Toole Associates, management consultants of New York City, declared at the spring meeting of the small companies conference of the Life Insurance Agency Management Assn. at Chicago, that lack of coordination and integration of records into a company-wide pattern has resulted in serious and costly difficulties for the life insurance companies. In too many cases, he said, the different departments of a company will institute separate and distinct records and codes. The work of standardizing the records of the agency, accounting, tabulating and underwriting departments into a single code is a job which has had to be undertaken by at least one company at considerable cost in terms of money, time and personnel friction. Yet this job had to be done, Mr. O'Toole affirmed, for the error factor in commission charge-back calculations, production credits, persistency reports and other operations was increasing so rapidly that there was serious impairment of morale among the agents as well as the home office staff which had to struggle with these difficulties. The department heads who had established independent codes in their areas of authority appreciated the value of coding as a management control, but failed to maintain a company view.

Mr. O'Toole told the agency executives that in establishing a program of coordination and integration of records, the first essential step consists of appointment of a records control committee, consisting of personnel representing a sufficiently broad viewpoint and with adequate time to devote to this important project. Then, a complete, formal, critical review of all company records by this body should be made culminating in specific, substantiated recommendations for the elimination, consolidation and standardization of existing forms and the creation of the necessary new forms.

A determination then should be made of the final disposition of each type of record at the time it is authorized. It should be decided whether the record is temporary or permanent. If temporary, when it is to be destroyed; if permanent, where it is to be stored and in what form. Finally, he recommended the integration of all records of the company into a basic pattern and the maximum coordination of data to insure the greatest possible value for the money spent in keeping these records.

General Characteristics

Mr. O'Toole went on to enumerate the characteristics which all systems of records should have to work to the best advantage. First of all, the records should be in writing and, if necessary, permanent. They should be complete and accurate. The records should be timely. They should be economical and uniform. They should be analyzed periodically. The results of these periodic analyses should be used to guide further actions.

The speaker reported that often he has found that a company has a completely mechanized system of record-keeping and a duplicate system recording the same data on a manual basis in several different departments. A careful investigation of these cases revealed that, for the greatest part, these duplicate manual systems existed prior to the machine installation and were continued as a control for a test period. During the early days of the new system, machine or otherwise, there were bugs which developed. The resultant errors were seized upon as horrible examples and a demonstration of need for the manual control. However, when the bugs are eliminated, frequently the manual operation continued to linger on with no excuse and at a tremendous cost

in direct salaries for clerical help. Mr. O'Toole commented that practically the same system of records is required for effective supervision whatever the size of the company.

The speaker indicated that the first non-statistical record which the agency executive should keep is a written statement of sales policy.

This written policy should indicate what the agency department is seeking to accomplish, why it is attempting to do this and how it proposes to go about it. Such a record gives direction to the sales effort in tangible form, because a company policy carried in people's heads is subject to a variety of interpretation. The written statement of sales policy should be reviewed formally and critically at predetermined periods of not less than annually, he declared.

WRITTEN PROGRAMS

The second record which Mr. O'Toole considered vital for the smaller life insurance company was a written program based on the written policy. This program would set objectives relative to quantity and quality of business, field force requirements, territorial expansion, etc. He stressed that realism should be the keynote of the program and that it should be constructed from a long range view, extending over five years or more and also treating the short term prospect in setting forth objectives for each year in turn. It is important that this program set attainable goals, he commented. This written program should be reviewed formally not less than quarterly, he advised.

Another recommendation which he made was that each executive prepare an agency organization chart. He emphasized that while the organization chart alone would not eliminate friction and inefficiency, placing its staff organizationally in a formal manner gives the executive the opportunity to observe their performances in a clearer light. It clarifies in the minds of the staff their authority, responsibility in relationship to each other. Such formal organizations will eliminate impairing friction, overlapping of authority and responsibility and lack of assignment of specific authority in certain areas which often hamper the effectiveness of the sales operation.

Mr. O'Toole then advised that the company supplement its organization chart with a manual of duties and responsibilities for each person.

He recommended the establishment of a plant itinerary or an estimated pattern of time distribution and travel for the staff. He recommended that this schedule be prepared each autumn on a tentative basis for the entire year ahead and divided into quarters.

Agency Visit Reports

Tying in with the planned itinerary record is the agency visit report, he said. The visit report should be uniform and of the check-off, fill-in type, with sufficient space for pertinent remarks and observations. Such reports properly completed, stored and analyzed periodically assist the senior sales executive in maintaining effective control over his operations, he declared. He commented, "We have found many companies with no formal system of written reports, depending entirely on verbal summaries which were soon forgotten. Some, we found, depended on the supervisory personnel to set forth their observations in narrative form which varied greatly in clarity and style, making analysis and comparison difficult."

Mr. O'Toole maintained that as a

(CONTINUED ON PAGE 23)

Small Company Group Confers

The small companies spring conference of L.I.A.M.A. was held at the Edgewater Beach Hotel, Chicago, with nearly 200 in attendance. The theme was "supervision."

Speakers included Ralph R. Lounsbury, president of Bankers National; Roger Bourland, Liberty Life; Frederic M. Pierce of L.I.A.M.A.; Frank Whitbeck, Union Life of Little Rock, who conducted a forum on field supervision. Members of the forum were Charles H. Heyl, Bankers of Nebraska; Russell S. Moore, Midland Mutual; Doyle Zaring, Indianapolis Life; Lee Cannon, Western; Joseph Dickman, Provident; Kenneth D. Hamer, Pan-American; and Edwin A. Phillips, Standard of Oregon.

Mr. Whitbeck said the fundamental plans of field supervision practiced by most small companies embrace either direct home office-to-field supervision; general agent or manager is the stronger force in supervising in another plan; a third idea involves a definite chain of responsibility beginning with the agency vice-president, extending down to the field supervisor, to general agent to agent.

Presiding honors were shared by W. H. Trentman, Occidental of N. C., and chairman of small companies committee, and C. J. Summerhays, Beneficial Life.

At the banquet Monday entertainers were late in arriving and Mr. Trentman improvised a good program by calling on various members to tell stories or otherwise perform. At the request of F. D. Russell, president of Security Mutual of Binghamton, L. F. Lee, president of Peninsular Life and of Occidental Life of N. C., told something of his work on the federal loyalty review board, which hears the evidence against government employees concerning whom there is derogatory information. Mr. Lee was called on to hear cases as far away as Los Angeles and San Francisco.

In his talk, "Slants on Supervision," Lewis W. S. Chapman, association di-

List Combination Company Speakers

Speakers at the spring conference of the combination companies of L.I.A.M.A. to be held at Asheville, N. C., May 8-10, will include E. B. Stevenson, executive vice-president National Life & Accident; Holgar J. Johnson, president Institute of Life Insurance; Orville E. Beal, vice-president Prudential, and Frank P. Samford, president Liberty National. Malcolm C. Young, 2nd vice-president John Hancock, is chairman.

rector of company relations, emphasized the importance of organizing, definitizing, deputizing and supervising. Supervising calls for careful analysis and planning, he said. It involves so many things that to approach it without proper study is to invite ineffective supervision.

In discussing "Financial Supervision," Frederick D. Russell, president Security Mutual of Binghamton, advised that financial aspects of supervision are as much a concern of the agency department as they are of the general administration of a life company. Costs, he said, are becoming increasingly important, particularly among small companies, in the over-all operation of a company.

One of the most important functions an agency officer has, he declared, is to control costs. For this and other reasons, the agency officer should be an elected, rather than an appointed officer. He should be on the top most level of a company's operation.

Eyster in Nashville Post

William W. Eyster, Jr., has been named head of Prudential's district office at Nashville. He replaces Luther C. Dapp, recently transferred to Baltimore as head of district office No. 2 there.

A graduate of University of Florida, Mr. Eyster joined Prudential in 1931 as an agent at Jacksonville. He was advanced to staff manager in 1947.

LIKES PSYCHO-NEUROTICS

Falkstein Finds Recruits with Ants in Their Pants Make Good Agents

OKLAHOMA CITY — Recruiting high-powered young men "with ants in their pants" and then pouring in more ants is an important factor in the agency operations of Frank B. Falkstein, Prudential manager at San Antonio.



F. B. Falkstein

Mr. Falkstein told the general agents and managers session at the National Assn. of Life Underwriters midyear meeting here how he works toward his goal of a quantity of quality agents. "I like nothing better than a younger man who is sometimes described as a psycho-neurotic," said Mr. Falkstein. "A man who is a 'driven soul'—you've seen them. They can't sit still. They squirm in their chairs. They're running their fingers under the collars. They're straightening their neckties. They're snapping their fingers. They're prima donnas, but boy oh boy can they sell life insurance."

Motivation is the additional "ants" which Mr. Falkstein supplies in various forms. The new man, after a three-week basic training course, shares an office with another man, gets secretarial service, is encouraged to write at least personal pre-approach letters a day, gets newspaper publicity, engraved

cards to his natural market, is assigned to an assistant manager on a no-split commission basis, is given leads, and is invited to attend Saturday morning clinics.

The new man is given additional reading material on advanced work and is soon willing to tackle the higher-income prospects. To get him to put out extra effort he is never congratulated for doing only a routine job. For extra accomplishment, though, he is lauded in an announcement to his policyholders, friends or prospects, or in a letter to his wife.

The monthly agency bulletin congratulates only the top eight men in the agency and doesn't list the other 10 or 12. Mr. Falkstein is constantly trying to sell the agent and his family on the prestige building activities in which the agent and his family can engage over the years. The agent is urged to build prestige in civic, personal and business activities and to spend money on his career.

Motivation is helped by semi-annual contests and monthly awards. A \$100,000 month rates a piece of silverware with the accomplishment engraved on it. The men are kept constantly reminded that the luxuries of life can be had if they are willing to work for them. Home ownership is encouraged, as is that practice of agents taking their wives with them to company conventions.

W. A. Fraser, manager for Bankers

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Princeton "Prof" Takes Swipe at Insurers on SS

WASHINGTON—A feature of testimony on social security Monday before the Senate finance committee by Sumner H. Slichter, associate chairman, and Douglas Brown, Princeton University, member, of the Social Security Advisory Council, was advocacy of total and permanent disability coverage under H.R. 6000.

Strongly urging inclusion of disability coverage under new legislation, Dr. Brown attacked the insurance companies.

"The hard core of opposition to permanent and total disability insurance in this country are the insurance carriers, which have assumed the role of 'impartial' advisers to government to save government from the foolish mistakes the carriers have made in competitive underwriting in this area of insurance," he said.

"If the Congress takes the advice of the insurance companies we will have no permanent and total disability insurance in 1950 or 1970 or in the year 2000. Meanwhile, the contributory OASI program would be whittled down further and further until, as a minimum flat-rate benefit, it would not interfere in the slightest with such business as these carriers cared to canvass.

"It is high time that the positive needs of the workers, employers, and public of this country be placed above the negative convenience of a small but clever interest group."

Slichter Counsels Caution

Dr. Slichter discussed the recommendations of the advisory council on disability and recommended that such a program should be started "on a small scale," so that if mistakes are made they will be "on a small scale." Estimating that by 1960, from 157,000 to 450,000 persons might be drawing disability benefits, Slichter remarked "that is just a bite at a big and important problem."

"The problem is a big one not particularly well understood," he continued. "A small beginning should be promptly made. We recommended something workable, which undertakes too little rather than too much."

It would be necessary to require a recent connection of the applicant for disability benefits with the labor market.

Senator Taft inquired about government regulation of private plans covering an entire industry, such as coal for instance, or covering a certain region, such as he said is being considered in the Toledo area. He made the point that under such plans, John L. Lewis, for example imposes a tax upon the public.

"It is exactly the same as if we set up a separate plan like railroad retirement," said Taft.

Fantastic and Overwhelming

Senator Byrd dwelt upon the size and cost of private plans, which he said ultimately comes out of the pockets of the people. "The whole cost may become fantastic and overwhelming unless there is coordination" somewhere along the line between private plans and OASI, he said.

But Slichter contended it doesn't make any difference whether pensions are paid or wages increased.

"Wages may be reduced sometime, perhaps," interjected Senator Taft. "Pensions can't be reduced."

"During a depression a private corporation might not be able to pass on the increased cost of pensions," said Byrd.

"If government concerns itself with the solvency of insurance companies, as it has for many years," said Slichter, "then it is proper to concern itself with the solvency of industry pension funds, which really approach the nature of

insurance. Funds that affect the public interest should be regulated."

"The time has come to challenge this idea that there is something magic in 65, which we pull out of the atmosphere" and use as the basis of compulsory retirement, said Slichter in discussing the problem of premature retirement. He gave figures to show that in past decades, according to the census, a much larger proportion of the labor force was over 65, or 70 or even 75.

It is O.K. to have executives and professors retire early, the witness said, because they should be imaginative and

perhaps would get into a rut. However, the ordinary run-of-mine worker does not have to exercise much imagination. To retire people forcibly at 65 is not in the national interest, the witness said, and does not reflect the preference of the men themselves, to a large extent.

Consolidated Edison Breaks \$100 a Month Pension Pattern

Consolidated Edison Co. of New York has signed an agreement with Utility Workers Union, CIO, granting minimum pensions of \$125 a month includ-

ing Social Security to 30,000 employees on retirement. The union cites the arrangement as breaking the \$100 a month pattern so far established in other industries. The pension plan will cost the company \$52 million a year, the union said. The agreement was linked to the recent decision of the state public service commission, which held that pensions were wages to be financed out of current operating expenses, thereby allowing the company to use the pension costs in figuring the cost of its service to the public. Rates must be approved by PSC.



John made the Perfect Draw

says Mrs. J. R. Foster

Bremerton, Washington

"We've been Minnesota Mutualites for almost three years now and we've loved every minute of it. It's wonderful to be in a business that means security and happiness for us and for all the people whom John contacts.

"I really should admit, though, that I was rather skeptical when John decided on a career in life underwriting. A wife must always have faith in her husband's ability but I felt that after so many years of a thoroughly regimented life he never could succeed in a position where he was absolutely on his own. Maybe when I tell you that John had just retired at 43 after a life in the Navy you will understand my uncertainty.

"As a civilian John immediately began a two-fold administrative job for a veterans' organization and in veteran counseling. He looked on this work as only temporary because he wanted to do something completely different from his old life. He was another case of a man looking for 'the job.'

"But finding 'the job' was a difficult task

until one lucky day when John had a demonstration of the Organized Sales Plan. He had talked with many life insurance men about their work but he never considered it as his future until he found out how easy selling could be with the Success Bond story! He acted like a boy with a new toy when he rushed home to tell me we were joining the Minnesota Mutual family!

"What a pleasant association it has been. John fits right in the life insurance business and what satisfaction he gets from helping people save and plan for security! Our future happiness is certainly guaranteed with the Minnesota Mutual."

John R. Foster had a record of \$540,428 of examined business his first four months as a Minnesota Mutualite. Since that time his production has steadily mounted. In 1949 he received 8% of first-year commissions in extra Club Credits as a quality award. Mr. Foster finds his selling especially effective with the wonderful new Success-o-graph*—just one of the many selling tools used exclusively by many Minnesota Mutual men.



*Reg. U. S. trademark

Organized 1880

The Minnesota Mutual Life Insurance Company

SAINT PAUL 1, MINNESOTA

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY
Saint Paul 1, Minnesota

I want to know how John R. Foster does it. I may be interested. No obligation to me, of course.

Name _____

Address _____

City _____

Zone _____ State _____

Olyniec Advises A. & H. Man to Sell "Proof of Pudding"

Speaking on "The Proof of the Pudding," Stanley Olyniec, Washington National, Milwaukee, told Chicago A. & H. Assn. at its March meeting Tuesday that what the A. & H. man is selling is not a policy but what that policy will do in time of need—peace of mind in the face of heavy bills that may have piled up as a result of disability, the will to carry on, the opportunity for treatment that otherwise would not have been possible, and the possibility of deciding on the time of returning to work from the standpoint of health rather than economic pressure.

He cited several specific cases, one where a school teacher about to retire was able to carry out her plans along that line in spite of expenses incurred in a serious accident just before she was to quit work; a young woman who would have had to postpone her marriage if she had not had a policy that carried her through an eight-month disability following pneumonia, and a case in his own family where a polio

policy made possible the employment of a nurse, although the doctor said it might be possible to get along without one.

He said successful salesmanship in any field is a product of the art of making friends, and emphasized that technical skill is much less important than human understanding. The successful salesman is willing and eager to discuss his prospect's problems and show how disability insurance can help him. He cited the seed catalogue as an example of showing end results.

It is necessary not only to improve the effectiveness of salesmanship, which would remove one of the most potent weapons of the advocates of compulsory plans by getting more people covered, but also the effect that the salesman has on the public. He compared the personal touch in selling which he advocated with the impersonal relation that has developed under the English program.

It was announced that the next meeting April 18 will be in charge of the women's division. Nominations for officers will be reported at that time. The election will take place at the May meeting.

Ernest Luehr, Parker-Aleshire Co., chairman of the membership committee, reported that the Chicago associa-

tion is still in the lead of all local associations, with 183 members, well ahead of Dallas, which is now in second place.

Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., president of the International association, spoke briefly on the plans for its annual meeting and paid tribute to the Chicago association. Other special guests included E. H. (Count) Mueller, Milwaukee, former president of the International; W. E. Leiby, Massachusetts Indemnity, Los Angeles, and G. A. L'Estrange, Capitol Life, Denver.

House Committee Considers Bills on NSLI Amendments

WASHINGTON—Three bills amending the National Service Life act, recently considered by the House committee on veterans affairs, would:

Extend the time for reinstatement of insurance from 1950 to 1952, with waiver of good health requirements where service-incurred disability exists, less than total.

Provide the same extension under the so-called "rider" for payment of insurance benefits for total disability.

Authorize payment of gratuitous insurance to servicemen's parents who may hereafter become dependent, following the insured's death.

Extend the time limit for making application for insurance where a person was taken prisoner or isolated between Nov. 7, 1941, and April 20, 1942, also where he may have been totally disabled.

Provide that with respect to insurance on a premium-paying basis, any premium due the insured that has not been paid, could be applied to keep coverage in force, at the election of insured.

Permit NSLI dividends to be applied to keep insurance in force, in death cases and where there was waiver of premium—dividend payments in death cases not yet having been started out of the \$2.8 billion VA "kitty."

Authorize payment of insurance to insured's estate, where the beneficiary dies first. (At present, under such circumstances, proceeds may go to "in-laws" instead of insured's direct relatives.)

Increase the extra benefit in cases of total and permanent disability from \$5 to \$10 per week, upon payment of increased premium to be fixed by VA.

National Equity Life Holds Homecoming Convention

National Equity Life held its homecoming Convention at Little Rock. C. E. Lowry, president; N. J. Woodland, south Louisiana regional manager; E. W. Washington, Jr., director of agencies, and Douglas McDonald, associate director S. M. U. course, were speakers.

Convention activities included a special luncheon given by Mrs. Clyde E. Lowry for all delegates' wives and a men's luncheon at which President Lowry was host. A cocktail party and banquet was held, at which Jeff Williams, attorney of Chickasha, Okla., was guest speaker. Company representatives from five states, who up to March 1 had qualified prorata for membership in the company's President's Club, were introduced and given special awards. A program of entertainment followed.

Slate Berge, Beckhart for New York C.L.U. Forum

Prof. Benjamin H. Beckhart of Columbia university and Wendell Berge, former assistant U. S. attorney general in charge of the anti-trust division, will be among the speakers at the annual forum on current economic and social trends sponsored by the New York C.L.U. on April 20. Mr. Beckhart's subject will be "Trends in Government Fiscal Policy." Mr. Berge, who is now a New York and Washington attorney, will speak on "Government Regulation in Business."

Nagle Addresses Closing Dinner of Prudential Meet

Current trends and problems confronting many American businessmen comprise the most serious challenge our free enterprise system ever has faced, Alexander C. Nagle, president First National Bank of New York City, asserted at the Prudential business conference dinner at New York.

The only apparent solution, Mr. Nagle said, is the spreading of understanding between business and all elements of our population—labor, stockholders, consumers and the general public. Business recognizes its responsibilities to society, he said, and is seeking to effect a closer contact with those it serves. It is in this effort that every man has the responsibility of supporting our free enterprise system.

President Carrol M. Shanks presided at the dinner which climaxed the three-day business conference at Newark attended by almost 1,500 agency managers from the United States, Canada and Hawaii. Among those seated on the dais were J. Donald Geiger, district manager at Bakersfield, Cal., and Charles W. Campbell, ordinary manager at Newark, whose agencies were honored for their performance during 1949. Allan D. MacKinnon, eastern regional group sales managers, was also honored for the \$425 million production of his area during 1949. Chris A. Gough, acting New Jersey commissioner, spoke briefly.

The theme of the meeting was the completion of 75 years of successful service. One of the hits of the banquet was a procession through the ballroom by a group of white uniformed waiters carrying a huge replica of the Rock of Gibraltar. Around the base of the reproduction were 75 candles. The room was darkened and a spotlight played on the model during the parade. Home office personnel entertained.

Extend for 2 Years Life of Va. Code Group

The life of the advisory legislative committee to revise the Virginia insurance laws has been extended for two years by the legislature, at the request of the committee. The committee has been deliberating for two years. Insurance observers are gratified that the committee is going at its task so thoroughly and carefully and is not trying to jump the gun and come out with an ill-conceived program.

Threatened Jacobs; 15 Years

Federal Judge Stone at Madison, Wis., sentenced Joseph Harvath, Stevens Point, Wis., farmhand, to three years in a federal penitentiary for attempting to extort \$10,000 from Carl N. Jacobs, president Hardware Mutuals of Stevens Point, a director of U. S. Chamber of Commerce and a trustee of Northwestern Mutual Life. Harvath confessed that on Feb. 6 he sent a threatening letter to Mr. Jacobs. He was trapped three days later by FBI agents, who imposed a blanket of secrecy on the case until the trial. Judge Stone recommended that Harvath be given mental and medical attention because of this and previous acts.

No Double Indemnity to Aggressor

Tennessee court of appeals at Nashville has upheld the Davidson county chancery court's decision that there is no liability for double indemnity when the insured's death is the result of his being the aggressor in a quarrel which led to his being shot. The case was Farrell vs. Metropolitan Life. The evidence was that the insured started a quarrel with a man who had a pistol and lunged at him even though he had been warned to stop.

PINK ENVELOPES

What color should you use in your business reply envelope to get the largest number of returns? To answer this question, a large direct mail advertising company sent out several mailings, varying the color of the reply envelope. Each time the result was the same. Pink—the most pleasant and cheerful—did the best job. Green—a cold color—had the poorest pulling power of them all.

Strikes us that this same thing applies in personal selling, too. Isn't it the pleasant, cheerful "pink envelope" approach that usually gets the most favorable response from the prospect?



NORTH AMERICAN
Life and Casualty Company



Founded 1896

HOME OFFICE: MINNEAPOLIS, MINNESOTA

H. P. SKOGLUND, President

Woodson Named to Head L.U.T.C.

Benjamin N. Woodson, executive vice-president State Life of Indiana, has been elected president of Life Underwriter Training Council, succeeding

Edward L. Reiley, general agent for Mutual Benefit Life at Philadelphia. Ralph G. Engelsman, general agent for Penn Mutual at New York, has been named vice-president.



B. N. Woodson

Orville E. Beal, vice-president Prudential, and Judd C. Benson, president National Assn. of Life Underwriters, have been added to the board. They replace Vincent B. Coffin, vice-president Connecticut Mutual, and Clifford H. Orr, general agent for National Life of Vermont at Philadelphia.

N. Y. Legislative Committee Action

The New York state joint legislative committee on insurance rates and regulation recommended passage of an amendment to the state's Clayton act, arming the superintendent with power to order insurers to divest themselves of ownership of certain shares of stock.

The committee entered a bill changing requirement of the American experience table to the C. S. O. table at 3% in the computation of an initial minimum group life premium. It postponed for further study a bill to revise the amount of insurance, except industrial, which can be written on minors.

The committee voted to hold hearings to measure possible discrimination against applicants for insurance because of race, color or national origin.

Although the committee had received eight suggested amendments to the investment section of the law, it decided on further study before broadening the investment authority of life insurance companies.

As had been expected, the committee recommended no action on revision of section 213 until the joint committee of Life Insurance Assn. and American Life Convention, which has been exploring the subject, reports later this year.

Eye Insurance-Loan Tie in North Carolina

(CONTINUED FROM PAGE 2)

pany, a loan or auto finance company, or an automobile agency." Mr. Humphries informed the group that the department is considering regulations which would require companies to give direct notices to the assured in event of a cancellation or policy change, prevent agents from bargaining with the assured after the company has transmitted payment for loss and require companies and their agents to maintain complete records of premium refunds.

Fred W. Blanton of Shelby, president of Blue Ridge, expressed the opinion that life policies should be limited to the unpaid balance on the loan, and A. & H. policies to the amount of the monthly payments. Neither should be a pre-requisite to obtaining a loan, he stated, but should be optional with the borrower.

Revenue Bureau Rulings

WASHINGTON—In recent internal revenue bureau rulings, it has been held that:

An employer's private plan for paying disability benefits to employees and the New Jersey TDB law is A. & H.

insurance, which meets requirements of section 22(B)(5), internal revenue code.

Amounts received by employees under such a plan are excludible from gross income under the latter section, and consequently are not subject to the withholding tax.

Premiums paid by a husband on a life insurance policy absolutely assigned to his former wife and with respect to which she is the irrevocable beneficiary are includible in the wife's gross income under section 22(K), and deductible by the husband under section 23 (U), of the code.

Premiums paid by the husband on a life policy not assigned to the wife and with respect to which she is only contingent beneficiary are neither includible in the wife's gross income nor deductible by the husband.

Vets Have the Right Idea

Veterans' families show a more widespread ownership of life insurance than non-veteran families, according to the Institute of Life Insurance.

A survey showed that of veteran families 82% owned some life insurance last year; of non-vets, 76% owned life insurance. Veteran families also put a larger amount into premiums.

Oppose Tax Bill at Hearing

(CONTINUED FROM PAGE 2)

that the fight would be carried into the courts if the bill is enacted. He called upon Harrison Tweed, Equitable counsel, who stated legal objections to the bill. W. N. Stannus, secretary Pyramid Life, followed with a protest, and finally, Mr. Klocksins who said his company has set aside \$3,600,000 to meet the provisions of the Doughton bill, out of 1949 operations. He raised the question of the rights of policyholders of different years covered by the bill and the financing of the proposed tax payments.

Mr. Doughton asked early and favorable consideration for his bill. He said the matter was brought to his attention last August by the secretary of the Treasury, and he introduced the bill immediately thereafter; that the "companies felt they should pay some taxes" and had conferred with the Treasury and joint committee on internal revenue taxation staff, but did not reach an agreement. He said he had received a letter from Jefferson Standard, in his own state, favoring payment of taxes. The subcommittee he appointed, Doughton said, "thought an understanding had

been reached with the companies." He then called upon subcommittee members, of whom Lynch made the principal talk.

Lynch said the bill has "met approval of the Treasury and the joint committee staff." Senator Taft quizzed him about the necessity for temporary stop-gap legislation. "Why a temporary bill," he asked. "What unknown element is there?"

Lynch replied that the problem is greatly complicated. He referred to the suggestion from some companies that tax should be levied on a company-by-company basis and to the Treasury proposal to tax underwriting profits. "We felt the best way was to bring existing law into activity," he added.

"We have to go to the bottom of a very complicated matter," pressed Taft. "Why not do it now?"

"That would be desirable," Lynch admitted. "The longer the companies go without taxes, the more likely we will be acting in an arbitrary and capricious manner."

"There are no unknown factors. This

ROUTINE UNUSUALS



DISABILITY INCOME:

\$10 per \$1,000 income to age 65, or maturing date if earlier; when policy regardless of form matures for full face amount.

SUB-STANDARD:

Sub-standard to 600% of mortality; special consideration duodenal ulcers, pernicious anemia, diabetics.

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Chicago 4, Illinois

has been discussed three years. Why not adopt a permanent plan?"

"If it can be adopted it would be satisfactory to the subcommittee, but it is problematical whether it can be done in the time available. It would call for extensive hearings."

"But I am not willing to pass this bill," concluded Taft. "I want to understand the matter, and in that event we could pass permanent legislation."

Lynch remarked that Representative Reed, Republican leader, expressed the hope in the House the bill would be passed without opposition. When Lynch said the bill "is acceptable to 95% of the industry," Senator Millikin, Colorado, former committee chairman, inquired:

"Is that 95% in money or in size?"

"In number and money likewise, to a large extent," said Lynch. Companies opposed include "one or two" in New York, he said, others in Michigan, Ohio, and the Northwestern. "Acacia opposes the formula and opposed it in 1942." He added it would be an "improvement" to have stop-gap legislation.

"Have all companies set up reserves to meet this proposed liability?" asked Millikin.

"As far as I know, all have done so," said Lynch. They have known since 1947 of proposals to tax the industry, he said. "No company would be injuriously affected by the bill. Nearly all

companies are willing to pay their share."

Millikin asked if there is "a difference between paying this year" or some other time. Lynch said there had been "some suggestions," but the committee thought the bill "was best."

"Has any company pleaded surprise," asked Millikin. Lynch indicated it had not.

Converted to Industry Approach

Representative Simpson said the bill "is a good and proper way to collect tax" and he thought "the formula is good for the future." Admitting he had had "considerable doubt on the question whether life companies should not be treated on an industrial basis," Simpson said he had come to the belief that the industry-wide approach is proper. His committee thought the matter "should be gone into in greater detail and, possibly, a different plan be adopted." However, later it was suggested the Doughton plan be adopted as permanent, and Simpson suggested perhaps the Senate committee would accept it as such. Government departments agree with that view, he said.

It would require a great deal of study to write permanent life company tax legislation, Representative Camp, Georgia, told the Senate committee, and he believed the pending bill is best. Some companies have written on a 3%

reserve basis, he said, some on 3 1/4% basis, others 3 1/2 or 3 3/4, and the companies "are now coming down to a 2 1/2% reserve basis. If you levied tax on an individual basis it could not be arrived at without a great deal of research," said Camp.

When Senator Butler, Nebraska, asked if the committee had determined what amount of revenue would be raised, Lynch answer \$93,000,000 for 1947-49, and if the plan were extended over 1950, the companies estimated about \$42,000,000 for this year.

Vance Kirby was questioned closely by committee members. In reply to George, he said although the bill is not the same as was originally recommended, it has Treasury approval; that "from the end of 1947," the department tried to develop a new plan, working with the companies "off and on." Explaining the 1942 formula, Kirby said the 3 1/4% allowance is "outmoded because the interest rate has dropped substantially."

"Was the 1942 formula a compromise, or agreed between the Treasury and the companies?" asked George.

"Very much of a compromise," answered Kirby. "The department did not want averaging of the deduction. The companies felt very strongly in favor of averaging."

"How was the industry divided?" asked Taft.

Kirby indicated practically all companies favored the plan.

"I had an impression it was a negotiated formula," said George.

"The Treasury finally acquiesced in it," said Kirby. "That legislation improved the taxing provision greatly, from the government standpoint."

"What happened," asked Millikin. "Why did we stop collecting taxes?"

"The interest rate declined. The 3 1/4% allowance has completely offset net investment income," said Kirby.

"Is it because income is lower?" asked Taft.

"Income has decreased with relation to the reserve, though income, as a whole has increased."

Kirby Gets Going Over

"You cannot tell me why there is no tax? Explain it as though to somebody who doesn't know anything about life insurance."

"It's because of the change in interest rates, and changes in policies."

"Excessive deductions—because of them you don't collect tax," suggested Milliken. "Is that it? Is this resolution on the theory that the companies owe this money?"

"Under present law, there is no tax liability. But the department position is due to the fact the formula has become unrealistic."

"This resolution does not rest on the assumption that they owe the money. Unless we pass it there will be no obligation?"

Kirby assented. George asked: "Are not the companies writing insurance on the assumption the interest rate will be lower?" Again, Kirby assented. "But they are taking off 3 1/4%," George continued.

Why Should Companies Pay

"Why should the companies want to pay retroactive taxes?" asked Millikin. "Are they afraid we might tax them more? Why should the companies be tossing their money out?"

"I think you should ask that of the companies."

"Under the law they have no share of tax to pay," Millikin continued. "So why should they want to pay it? Why should the companies take a 'moral' position? Why do the companies want to make a contribution if they don't owe it?"

"I feel they think the law is wrong," said Kirby.

Senator Butler read from a letter from a Nebraska company he did not name, saying a majority of companies favor

(CONTINUED ON PAGE 10)

Equitable Agents Group Asks for Bargaining Rights

NEW YORK—Hamilton Childs, president, and Albert Turk, and C. Frank Bachrach, executive committeemen of Agents Assn. of Equitable Society, at a conference at the home office with Vice-presidents Vincent S. Welch and Harry A. Yoars sought recognition of their group as the collective bargaining representative of the company's agents. The association also sought a list of the names of all agents under contract with the company. The list of names was said to be forthcoming. The matter of recognition is being considered.

The association has been campaigning for membership among the 2,563 agents whose names it has and now has almost 1,000 members. The company has about 7,000 agents. The association in a letter to members also is suggesting that they write their senators in favor of the fourth or economic reality definition of employee under H R 6000.

Halt Government Benefits at the Subsistence Level, Zimmerman Warns at K. C.

Charles J. Zimmerman, associate managing director of Life Insurance Agency & Management Assn., told the Wichita chamber of commerce that government cannot go beyond the subsistence level in providing security without encroaching on liberty and freedom. He told his hearers there is a logical place for three kinds of security in our economy. Social security benefits, paid by taxation and held at a subsistence level, should be furnished by the government. Industry pensions, paid for by employer-employee contributions, should supplement this basic security. Individual thrift through life insurance and other savings, offers men other means whereby they can provide for themselves and their dependents beyond this level, he declared.

Mr. Zimmerman went on to say that the degree of security which the people of the country obtain depends solely upon the degree of productivity through which the people earn that security.

Mr. Zimmerman declared, "Those in management who feel that they can shift sole responsibility for pensions to the government are making grave mistakes, for two reasons: Labor will not permit this shift; and government cannot and should not assume this responsibility. Labor, too, must realize that if industrial pensions are expanded beyond the ability to support them, they will fall of their own weight or will result in a price increase which wipes out the additional pension benefits they bargained for."

Mr. Zimmerman concluded, "We cannot underestimate the desire for individual security. And we should not take away the means for individual thrift. It will remain true that the greater our production and the lower our taxes, the more there remains for the individual to save for his greater security."

Bean Promotes Bagg

William R. Bagg has been appointed assistant general agent by Ferrel M. Bean, general agent for John Hancock Mutual at Chicago. He joined John Hancock in Tulsa in 1946. He was appointed supervisor for the Bean agency in DeKalb, Ill., in 1948.

Nathan Langberg, manager of Companion Life in New York City, is a life and qualifying member of the Million Dollar Round Table. Of his total 1949 production, \$234,000 was placed in Companion Life since it started doing business last July.

The KEY TO SECURITY



A Key to Success
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Equitable of Iowa
Field Underwriters

Equitable Life of Iowa's field underwriters have enthusiastically endorsed the *Key to Security*, the Company's new and simplified method of life insurance programming. With a professional approach that is easy to understand, the *Key to Security* clearly defines the prospect's life insurance program requirements and graphically portrays the solution to his estate problems.

This new method of programming is consistently demonstrating its effectiveness as an aid to career life underwriting for Equitable of Iowa field men.

A three months survey indicates:

- Highly satisfactory results from the new *Key to Security* direct mail approach.
- A better than average ratio of sales per interview.
- 547 *Key to Security* sales totaling \$7,113,543.
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Those are four excellent reasons why Equitable of Iowa field underwriters know that the *Key to Security* is their Key to Success.

EQUITABLE
LIFE INSURANCE
COMPANY of IOWA
Founded 1867 Des Moines
OVER ONE BILLION LIFE INSURANCE IN FORCE

Benson Gives Presidential Message

(CONTINUED FROM PAGE 1)

and permanent disability benefits but that the government had a secret formula for administering such a program successfully and that members of Congress need have no fear that such a program would be well carried out by the social security administration. The Senate finance committee was also advised that pension plans provided by employers on a contributory basis were highly unsatisfactory when underwritten by a life company because the worker lost "all of his rights" if he moved from one employer to another.

"This notion we of course have since corrected," he said.

It appears that the life insurance business enjoys a friendly relationship with members of Congress and both parties with the exception of those who blindly follow the administration recommendations without regard to the merits of whatever proposition is under consideration, said Mr. Benson.

NSLI Was a Mistake

Mr. Benson said "we were frankly quite amazed at the public interest displayed in the publication of Gordon McKinney's excellent brochure pertaining to the so-called National Service life insurance dividend." Mr. Benson said it clearly showed that the public is entirely unaware of the actual operation of the NSLI fund and that it appears that the big problem is to get the veterans themselves, as well as the public, to understand this operation. Once this can be accomplished there will be little or no difficulty in obtaining a terminal date for NSLI or in preventing legislation enabling the government to go into the life insurance business at some future time, said Mr. Benson. It is now perfectly obvious that everyone, particularly the veteran, would have been much better off if the government had stayed out of the life insurance business entirely and provided a direct indemnity of a specified sum of money for service-connected deaths.

Describing the work of the newly created committee on industry development and information, Mr. Benson said that its objectives will be to consider the role that the life insurance business should play in any economic or social developments that are closely related to it; to prepare and disseminate such information as will cause the public to have an appreciation for the services rendered by the agent and particularly to emphasize to the public the exact service that the agent is prepared to render on individual and employee benefit programs; and to protect members who have a substantial investment in employee benefit plans against encroachments by interests entirely foreign to the life insurance business.

Under the first of the above three headings, Mr. Benson mentioned as examples the proper place in the economy for pension trusts; employee benefit plans in general; cash sickness benefits under state laws and appropriate benefits for those who are totally and permanently disabled.

Insurance Men Are Dike

Mr. Benson's report commented on the reports of the various committees, in addition to those referred to above. He wound up by saying that the life insurance business and N.A.L.U. stand as a dike to protect policyholders from a devastating flood of social concepts of which the public is entirely unaware and which will surely deprive their children, if not themselves, of a free economy without which there can be no life insurance business and no life insurance agents.

"While your particular opportunity may be lacking in the dramatic appeal of martial music, booming cannons, or exploding bombs, your responsibility is none the less important," Mr. Benson declared. "I have every confidence in your willingness to accept this responsibility and, by reason of your devotion, to fulfill the objects of our association."

In discussing NSLI dividends Mr. Benson said that agents in many cities he has visited have been adamant in their desire for a termination date for NSLI. He complimented the veterans affairs committee on its statement that "we feel that no opportunity should be missed to make the Hook committee's recommendations effective."

Have Added Responsibility

"I am sure you will join with me in endorsing the statement that it is the duty of life insurance agents to continue to encourage veterans to reinstate and convert their NSLI policies," he added.

At the same, said Mr. Benson, N.A.L.U. members have an added responsibility. They must be in a position to discuss the current NSLI dividend on an intelligent basis. He urged that members be thoroughly informed on this matter and continue to promote a true understanding of the NSLI dividend among their clients and the public.

Mass. Mutual General Agent at Los Angeles to Resign

Robert L. Altick, general agent for Massachusetts Mutual at Los Angeles will resign that post on May 1. Mr. Altick has been with Massachusetts Mutual since 1930 and a general agent since 1938 with the exception of two years in the marines. He is a past president of the Wilkes-Barre Life Underwriters Assn., and the Los Angeles C.L.U. He is currently vice-chairman of the speakers bureau committee of N.A.L.U. and is a director of the Los Angeles association and of the Los Angeles managers group.



Robert L. Altick

A two-week course for assistant district managers of John Hancock at the home office was attended by 40. Edwin P. Gunn, manager of field training, was in charge.

Moley Cincinnati Speaker

CINCINNATI—The British middle class saved that nation from all-out socialism in the Feb. 23 election, Raymond Moley, editor and author, told the Cincinnati C.L.U. forum. Originally budgeted at £200 million, social insurance is costing the British people £415 million, a tremendous sum considered in relation to national income, he stated. The cost of the Labor government will become known to the people when the budget is released within the next few weeks.

Insurance stands for the finest in the capitalistic system, Mr. Moley said. He was introduced by W. Howard Cox, president of Union Central. He had just returned from a four-week visit to Britain to observe the election.

The planned estate service of Home Life of New York results in the client immediately or eventually becoming a policyholder of the company in about one-third of the cases. In many of the remaining cases, because of the good will created by the service rendered, policyholders recommend it to their friends who frequently become policyholders, company figures show.

THE LION'S SHARE of the credit



... for the Provident's rapid growth (Ordinary Life production in January and February was 81% greater than during the first two months of 1949) rightfully belongs to what we consider one of the finest field forces in the business.

Many of these Provident Life Producers have told us that the consistent cooperation they receive from the Home Office—and an unexcelled line of coverages—do make it a bit easier for them to register these gains. For example, the Programmed Income Plan, the Thrift Plan, Triple D, Double Protection, and Disability Income (\$10 per \$1000) are a few of the reasons why they say it's easier for Provident underwriters to sell the prospect what he wants.

And their EARNINGS are good too ... liberal first year commissions plus full renewals for nine years ... plus service fees ... plus optional group hospital-surgical and life insurance ... plus a NON-CONTRIBUTORY PENSION PLAN.

Over \$600 MILLION Life Insurance in Force.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

CHATTANOOGA

protecting provident people since 1887

Parkinson Fights Retroactive Tax

(CONTINUED FROM PAGE 8)

the Doughton bill "in order to get the matter settled."

"If we don't tax it, who gets this money?" asked Taft.

"It goes into reserve," Kirby suggested. "Most life companies are mutuals. In stock companies it goes to surplus or dividends. In mutuals it will go out to policyholders as dividends."

Are Companies Cooperatives?

"How does this differ from not taxing cooperatives? We had a fight in 1942 on the subject of taxing fire companies like Lumbermen's. Do you see any fundamental difference between a mutual insurance company and a cooperative?"

"It is a form of doing business on a cooperative basis. If there is anything left the companies would pass it to policyholders," Kirby recalled the limited exemption of \$75,000 allowed mutual fire companies under existing law.

"This represents a strange irony," commented Millikin. "There is lots of yack-yack against double taxation of dividends. Now we are tearing our shirts to tax dividends retroactively."

Butler asked why the regular "rank and file" corporation tax was not applied to life companies. Kirby said formerly it had been. George remarked: "It is difficult to ascertain net earnings" of life companies.

Mr. McAndless read a prepared statement. Attached to it was a table comparing results of taxation at 38% on average valuation and on a company-by-company basis for 1948 which showed, he said, that on the latter basis, some large companies would escape taxation. During the reading of this statement, Mr. McAndless was asked by Millikin: "Was there a general understanding that there would be retroactive tax?"

"They were asked would they object to tax on 1947 business," said the life industry committee chairman. "We replied most of them would not object."

"Is there a company that would find itself embarrassed by payment of this tax retroactively?" asked George.

"I have only heard from one company that this would be embarrassing. It is a small company. It paid \$10,000 dividends last year and had no surplus."

"That dividend is gone," George re-

mind, and suggested that if the bill is enacted and overruled in the courts there would be tax refunds to the companies.

"Would the companies object if this formula were made effective for the future?" asked Millikin.

"I think they would be glad," said McAndless, referring to a resolution adopted by industry interests favoring such action.

ADAMS WANTS TIME

Painting the picture "with a broad brush" in the 10 minutes allotted to him, Mr. Adams read a statement and answered some questions, including an explanation of the difference between stock and mutual life companies. Adams said in reply to a question by Millikin, that he assumed the matter "would not be disposed of after half a day's hearing."

"What about powers under the companies' charters to pay out taxes you don't owe," asked Millikin. "Do you think it is the duty of the company to pay such a tax?"

"We would not do that unless you pass this bill," said Adams, adding there are "big questions" affecting the companies they must consider carefully.

"They were warned there would be a tax," suggested Millikin, "but were they warned the tax would be retroactive?"

Adams replied that "if it had not been for Dr. Gallup" there would have been earlier agreement. While differences had apparently been composed before that, later some changed their minds, and it became necessary to go over the whole situation again. Adams' reference to "Dr. Gallup" was taken as relating to the Gallup political poll of 1948, which "went wrong."

"This is a compromise all the way through," said Adams. "There were many considerations," and he did not claim to "have wings sprouting." "You ask why we want to pay taxes. We don't like to see columnists say we are tax-exempt. This bill is agreed upon by most companies, the department and the committee. I am sorry my Senator (Taft) did not hear this because there is one Cincinnati company on the other side."

Parkinson Warms Up

Mr. Parkinson started by saying he was "embarrassed to have to differ from the trade association," but he soon warmed up. Speaking without a written statement, he pounded the table in front of him, from time to time, to emphasize his points.

"I suggest our duty to our policyholders and our duty to pay from their funds only in accordance with law," he said. "I don't like anybody to think I am a tax dodger, and I don't favor payment of tax unless the law directs it. This is a retroactive law, attempted as an income tax, and is in reality a direct tax on that portion of company income that has been turned into policyholders' funds."

"Would you say it is a company gift to the government?" asked Millikin.

"There is no intention to make a gift," said Parkinson. "Congress has never enacted a retroactive income tax."

Differing with this statement Millikin said: "We have done so, but never at the request of the victim." However, Parkinson stuck to his assertion, which he repeated more than once. "No retroactive income tax has ever been passed by Congress or upheld by the Supreme Court," he declared. "You will be establishing a precedent. I believe it violates the constitutional requirement that direct taxes must be apportioned among the states."

"We don't know why the poor policyholders should be selected for that experiment. The policyholders will bear this tax; make no mistake about that. We increased our dividends in 1947 and 1948 and had no thought of a retroactive tax to be imposed a couple of years later. Our policyholders today,

who are different from the policyholders in those years—they will have to pay the tax. It will not be the institution. It will increase net cost to our policyholders. We cannot agree."

"I warn you, respectfully, that so-called acceptance of this tax by some companies does not mean they will not seek a refund if the legality of the tax is brought into question. Nobody here agrees to do that. If he did, he would respond in his personal capacity."

Juicy Plum for Tax Experts

"This is going to be one of the juiciest plums for tax experts," Mr. Parkinson predicted. "Ninety-three millions! All would be in the courts questioning it and seeking refunds. It would be good business to pay 10 times that amount because they could get refund at 6% interest. It will probably be the subject of litigation."

"It is not true we are the single company objecting to this tax," the witness declared. Others he named as opposing it are included Mutual Benefit, Mutual Life, Continental, Northwestern.

Parkinson said discussion with the Treasury never included retroactive taxation until mid-1949. L.I.A. "voted against retroactive taxation last August," he asserted. "The first time it came to attention of the association was the early summer of 1949. That related to 1948 retroactive tax. Nobody suggested 1947." Never until the meeting of the Lynch committee and company representatives was that proposed.

"We innocent companies have never yet learned what happened in that meeting that made for this spectacle. It is a great spectacle that representatives of the industry are here asking for imposition of a retroactive tax to the tune of \$93,000,000."

Millikin said the Supreme Court had indicated in connection with retroactive taxation, whether and when the taxpayer was informed about the probability of such a tax, was important.

A retroactive income tax is unconstitutional under the due process clause, insisted Parkinson, "and secondly under that provision requiring direct taxes to be apportioned among the states."

"We have power to impose retroactively a remedial tax, but not an income tax," George remarked, referring to the so-called "windfall" or "unjust enrichment" tax levied against processors of agricultural products after the Supreme Court ruled the first agricultural adjustment act was unconstitutional. The processors had collected the AAA tax from their customers. He added he was "not proud" of that tax, "it raised a very serious question in my mind."

Made to Look Mysterious

Parkinson said that in 1918-19, when attached to the judge advocate general's office, he had been assigned and served as the "first legislative counsel" to the finance committee, then chairmanned by Senator Simmons, North Carolina, and participated in income tax legislation. Declaring that the life industry "is not nearly so complicated or mysterious as indicated here today," Parkinson outlined briefly the principles on which it operates.

"If the tax authorities take from us too much we won't have a reserve fund," the witness continued. "In all these discussions it took two or three years to decide what the tax should be. It is not our fault the law has not been changed before this. A tax applicable to the future that would be fair and would give the Treasury revenue, could be decided upon by the technical men of this business in the time taken for this hearing."

He indicated the trouble has been that "it has not been the technicians, but the tacticians" who have handled the matter. "We who oppose this are constantly growing in number," said Parkinson. "I have letters from the insurance commissioners of New York and Massachusetts indicating great concern about the tax and about the willingness of the business to accept it. This is on the



Folks tell us it's because of our size.

You see, American United is big enough to be big, yet small enough to be small. Big enough to be among the top 10% of American life insurance companies; big enough to be a factor in the investment market; big enough to enjoy all the economic advantages of bigness. That's good.

Furthermore, American United is small enough to be small. Small enough to know its people by their first names; small enough to worry about an individual policyholder's problems; small enough to see its entire investment forest and every tree in it. That's good, too.

Seems that such a size is popular. And we're glad of it.



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agenda of the spring meeting of the commissioners' association.

"In a reasonable time a fair tax for the future could be decided upon. We would not object to the tax being applied to 1949 because we place great emphasis upon when the tax is imposed in relation to the date for filing income tax returns. The Treasury has extended for two months the time within which life companies may file returns, and could extend that time still further. Within that limit, we believe Congress would be within its legal rights to impose the tax."

"Is there any implication that if not paid retroactively, tax will be put on in a lump?" asked Millikin.

Parkinson answered that "our representatives were excluded" from the Lynch conference, but that "it was indicated to industry representatives there that if they did not accept this they must expect something worse."

"That did not make you feel better," Millikin suggested.

"It did not make us feel worse," said Parkinson, who then asked that Harrison Tweed be heard.

Tweed Calls It Arbitrary

The latter said: "The ethics of Congress coincided with the Supreme Court idea of what is proper in retroactive taxation. Congress has refused to go back with any kind of income tax beyond a reasonable period, and decided not to do anything in the nature of arbitrary taxation. This tax goes back beyond the period sanctioned by court or Congress. It is arbitrary in almost all respects; because a system of taxation does not produce revenue, it is not very different from an exemption. It is arbitrary in the way it has been negotiated with some of the companies."

George reminded the witness Congress has adopted the principle of "carryover and carryback," and asked him to file a brief, referring among other things to matters cited in the Lynch memorandum on constitutionality of retroactive taxation. Mr. Parkinson asked and was given leave to file a written statement.

Mr. Stannus declared in response to a question by Millikin, that a retroactive tax is "unfair." He added Pyramid has set up what it estimates its tax would be for this year.

Mr. Klocks said Northwestern "has consistently opposed retroactive taxation." He said the company had no notice of the pending tax plan until October, 1949. Under the Doughton bill, Mr. Klocks said, the company has estimated its back tax liability for 1947 would be \$1,116,000; for 1948, \$1,004,000; for 1949, \$1,489,000.

The witness predicted that the tax yield under the bill would increase in the future. "Under the average valuation rate," he said, "the percentage is going to get less and the government income will increase considerably. If we have further improvement in the interest rate ahead that will help very greatly."

Hearing on Cal. Minimum Benefits Rules Starts

LOS ANGELES—With J. R. Maloney, chief assistant insurance commissioner, presiding, representatives of the California department and of companies writing disability insurance opened an informal three-day conference Tuesday on the regulations proposed by Commissioner Downey to implement the minimum benefits law passed by the last legislature, which is to become effective July 1.

At the regional meeting of H. & A. Underwriters Conference held here Monday considerable time was devoted to consideration of the draft, which covers 25 legal sized types pages.

Dan A. Kaufman of Craig & Kaufman, Milwaukee general agents of Northwestern Mutual Life, addressed Milwaukee Chapter of Bank Women.

D. Bobb Slattery Named V.P. of Penn Mutual Life

D. Bobb Slattery has been elected vice-president and superintendent of agencies of Penn Mutual Life. Mr. Slattery, who was formerly with Penn Mutual from 1924 to 1940, will assume his new post May 15 and will be an associate of Eric G. Johnson, vice-president in charge of agency affairs.



D. B. Slattery

Mr. Slattery has been vice-president of National Life of Vermont for 10 years. He recently was appointed chairman of the 1950 annual meeting committee of L.I.A.M.A. He also is a director of the association. He is a member of the management examination board of American College.

Mr. Slattery started with Acacia Mutual and has spent his entire career in life insurance business. He was one of the founders of Life Insurance Advertisers and served as president. He also has served as chairman of the committee on information, as well as on the committee on education and training of the Life Insurance Agency Management Assn.

Mr. Slattery with Penn Mutual was in charge of sales promotion activities and was advanced to assistant to the agency vice-president. He went to the National Life of Vermont 10 years ago as assistant to the vice-president, was made superintendent of agencies in 1944. Named vice-president in 1948, he was appointed last year as chairman of the company insurance committee and a member of the executive committee.

Marr Heads Penn Mutual Agency Assn.

Joseph A. Marr, Washington, D. C., was elected president of Penn Mutual Agency Assn. at a meeting at Chicago. James M. Royer, Chicago, became first vice-president; Joseph H. Reese, Philadelphia, second vice-president; Gaius W. Diggs, Richmond, reelected secretary; Ben Hyde, New York, reelected treasurer, and Tom E. Lipscomb, assistant secretary.

Bronze plaques were awarded to the nine past presidents of the association, Kenneth W. Conrey, Pittsburgh; W. H. Nicholls, Jr., Grand Rapids; Harry Wuertenbaeche, St. Louis; W. A. Arnold, 2nd, Harrisburg, F. A. Schnell, Los Angeles; Philip O. Works, Rochester; Osborne Bethea, New York; Holgar Johnson, formerly of Pittsburgh, and Charles B. Stumes, Chicago.

The theme of the meeting was "Modern Sales Management."

Joseph H. Reese home office general agent, spoke on the agent's security picture. He stressed the vital necessity of preserving the four fundamental freedoms under the agency system and projected the future opportunities for the average man under present Penn Mutual plans.

Mr. Reese pointed out that fundamentally the life agent never retires in the sense accepted under the pension plans of industry but rather reaches a period of relaxed effort. During his so-called retirement period he has basically five sources of income from which he may develop his own security and while social security may ultimately be available it is extremely unlikely to be used except for dependents or in event of disability.

The executive officers, including President Malcolm Adam, took over the last day's sessions. Ralph Engelsman of New York made the closing talk.

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PAN-AMERICAN LIFE INSURANCE CO.
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EDITORIAL COMMENT

Failure Publicity Shows Reliability

"Insurance Firm Crashes" a streamer headline on the front page of the Indianapolis Star blared forth in connection with the recent reinsurance of Progressive Life of Indianapolis by Guarantee Reserve Life of Hammond, Ind.

Insurance people in Indianapolis found this overplaying of the failure of a little outfit with only \$500,000 in force to be somewhat irritating.

"This kind of thing makes you mad," said one of them. "Actually the story doesn't deserve more than two inches somewhere inside."

In a way, however, the fact that the folding of a small insurance concern like this could rate a banner headline

on the front page of a paper in a city the size of Indianapolis is a tribute to the stability of life companies generally. In other lines of business, corporations of considerably greater magnitude than Progressive Life's go out of business without any newspaper attention whatever.

Yet when a life company fails, even a little one like this, it is so astounding, because of its rarity, that it is regarded as important news.

These rare failures serve to remind people that there is nothing automatic about the way that the life insurance business maintains its admirable solvency record. It happens because people who know their jobs are in charge.

What Shall We Name the Baby?

At the present rate, we may wind up with 49 different designations for the kind of insurance that a state compels employers to buy for the benefit of employees disabled by non-occupational accidents or illnesses.

If some sort of order is not brought out of this threatened chaos the result is going to be as baffling as the vast number of alphabetical agencies of the early days of the New Deal.

Thus far we have unemployment compensation disability, or U.C.D., in California; temporary disability benefits, or T.D.B., in New Jersey, and disability benefits law, or D.B.L. in New York. If other states feel such pride in their originality that they must create their own designations for this type of coverage as they adopt such laws, there are going to be some weird combinations of names and an array of initials that none but the most expert experts can hope to master. There is even the nightmarish possibility that a set of initials will mean one thing in one state and another in another, just as the initials "A.M.A." stand for both American Medical Assn. and American Management Assn. and perhaps a few other organizations as well.

The fact that workmen's compensation has become widely accepted as the standard designation for that sort of coverage indicates that there is no need for each jurisdiction to have its own special name for this coverage, even though there may be a considerable variation in workmen's compensation laws from one state to another.

Insurers, many of which will face this multiple name problem if the trend

is not headed off, should take the initiative in bringing about the use of a name that will be generally acceptable, descriptive of the coverage, and free from connotations that would result in misunderstanding among the public or discredit to the insurance companies. If the companies take a leading part in plugging for the name they want for these disability benefit or cash sickness laws, they will be more certain of a good break and avoid having a name selected which in the public mind implies something other than what the coverage actually is.

Whatever name is selected should be proof against being misunderstood. Particularly, it should not give the idea that it applies to occupational disability. It should clearly indicate that it covers both illness and accident, and that there need not necessarily be any connection with state unemployment compensation or with workmen's compensation, regardless of how the plans may be set up for administrative purposes. Some of this, of course, will take educational efforts but having the right kind of name will help substantially.

Perhaps the name should indicate that the law requires that only a statutory minimum of coverage be provided. It should not be a name like social security, which gives some the impression that they need not worry about privately insuring their retirement income. The designation should avoid giving people the impression that some law or governmental body is giving anyone something for nothing.

The word "compulsory" seems superfluous. Many employes and employers

are covered by straight group A. & H. insurance. This is not because there was anything compulsory. To include the word "compulsory" in a state disability benefit plan takes away deserved credit from employers who would buy the plan anyway.

If private plans include additional benefits, such as surgical, hospital, dependents' coverage, or group life, those covered should know that they are get-

ting more than the law requires and that they are getting more because their plan is privately insured. Whatever name is adopted should certainly avoid giving the public any idea that the law is part of so-called national health insurance.

Let's have a name that describes the coverage accurately, adequately, briefly, and in language that won't sound technical to the layman.

PERSONAL SIDE OF THE BUSINESS

John J. Holmes, state auditor and ex-officio insurance commissioner of Montana since 1932, has filed a petition for nomination as Democratic candidate for Congress in the July 18 primaries. He will run in the eastern district. He will try again to beat Rep. W. A. D'Ewart. In his race for state auditor in 1948, he led the ticket with a total of 137,111 votes or 64,529 more than his Republican opponent.

John D. Cramer, for many years deputy insurance commissioner of Indiana, who has been confined to his home by a heart ailment, has been presented a television set by his many friends in the insurance business in appreciation of the many courtesies he had extended to them.

Lewis W. S. Chapman, director of company relations of L.I.A.M.A., has observed his 20th anniversary with the association. He began as a consultant, was an early member of the faculty of the schools in agency management, and has authored many publications which have come into standard use in the business.

Harold C. Brogan, Ohio National Life, secretary of Michigan Assn. of Life Underwriters, has been elected president of Lansing Lions Club.

William C. Safford, vice-president of Western & Southern Life, has been appointed one of the six civilians on the board of visitors of U. S. Military Academy by President Truman.

Kenneth S. Reed, Northwestern Mutual, Portland, secretary of the Oregon Quarter Million Dollar Round Table, suffered a heart attack while on vacation at Palm Springs, Cal. He is resting well and will return to Portland in three weeks.

Irvin Hurst, New York Life, Oklahoma City, will be a Democratic candidate for lieutenant governor in the primary. He was for many years state-house reporter for an Oklahoma City paper. He entered life insurance about seven years ago and for two years was chairman of the publicity committee of Oklahoma City Assn. of Life Underwriters.

James E. Rutherford, vice-president of Prudential, recently became a grandfather. The child's name is James E. Rutherford, II.

Arthur L. Rodd, a Michigan department examiner, is reported as recovering at Columbus, O., from the effects of a beating administered by a thug who broke into his apartment and looted it and assaulted his wife. Rodd has been representing zone 4 states in a convention examination at Columbus. Com-

missioner Forbes said Rodd, an examiner since 1942, has run into rather consistent bad luck while away from Lansing on examination duties. While at Montreal a few years ago his car was destroyed in a fire and he was a robbery victim on another occasion at Chicago.

In the course of dedicatory exercises for the new E. T. Woolfolk State Office building at Jackson, Miss., **P. K. Lutken**, president of Lamar Life, representing the life companies, presented a scroll to Gov. Wright to be placed in the archives.

W. G. Hunnell, president of Pilgrim National Life of Chicago, attended the Boy Scout annual victory banquet in Chicago as senior scout representative of district 25. The district exceeded its quota by 22% as compared with 1% for the entire city. Mr. Hunnell was previously camping and activities director of the district.

The **Worcester (Mass.) County Art Exhibition** included a painting by Dr. Harold R. Leffingwell, medical director, and sculpture by Orville F. Grahame, general counsel of Massachusetts Protective and Paul Revere Life. Sculpture by Mrs. Grahame and jewelry by Natalie Steele, daughter of George Steele, manager of group sales, also were features.

Downey Says Company Standards Need Study

LOS ANGELES—Insurance Commissioner Downey of California told 150 members of the Insurance Assn. of Los Angeles that present minimum standards for financial responsibility of insurance companies need study. He suggested that though California standards are above those set by many other states, for some lines they are still too low. He termed the country as at or near the peak of a business cycle and commented that when the cycle swings downward remedial action will be necessary in the case of some of the insurance companies. Then it is too late to remedy many situations, he declared.

Mr. Downey commented that a few members of Congress would like to see the federal government take over the insurance business. He feels their real object is life insurance rather than fire and casualty, because they would like to get control of the savings of the public that are temporarily in the hands of life insurance companies. He commented that if states will refuse to condone the insolvency of the insurance companies and the dishonesty or incompetency in their management, no scandal will occur that will call for federal supervision.

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Salient Figures From '49 Reports

GREAT SOUTHERN LIFE

Operations of Great Southern Life in 1949 were the most successful in its history. Assets reached \$106,827,343. Insurance in force was \$483,175,160. Benefit payments were \$5,101,198.

LIFE & CASUALTY

Assets of Life & Casualty at Dec. 31 were \$105,869,036, up \$12,357,000. Insurance in force increased \$23,279,000, to reach \$712,899,000. Benefit payments were \$5,614,000. For each \$100 of liability the company has \$122 of assets.

NEW YORK LIFE

Sales of new life insurance in 1949 by New York Life amounted to \$852,385,500, approximately the same amount that has been written during the previous two years. Insurance in-force increased by \$430,787,118 and \$4,797 policies to total \$9,970,371,347.

Assets totaled \$4,674,990,644 at Dec. 31, reflecting an increase of \$226,620,885 during the year.

PROVIDENT OF N. D.

Insurance in force of Provident Life of North Dakota at Dec. 31 was \$104,412,936 as against \$94,591,037. Assets are \$17,633,876, as against \$15,430,243. Policyholders surplus is \$1,259,794 as against \$1,155,949. Major asset items are bonds, \$13,365,281; mortgages, \$2,377,653.

REPUBLIC NATIONAL LIFE

Republic National Life closed 1949 with \$293,612,625 of insurance in force. Assets are \$49,674,515. A. & H. premiums increased to \$2,613,024. New business was \$39,543,000, up 10%. Benefit payments were \$3,432,916. Group insurance in force reached \$27,637,000. The figures include the business of Alliance Life, absorbed by Republic National during the year.

UNITED STATES LIFE

United States Life's 100th annual report shows that at Dec. 31 the company had insurance in force of \$278,774,835 and assets of \$38,710,763. Assets are up \$5,064,274. Paid-for business in 1949 was more than \$59 million, up 25%. A. & H. premium income was \$2,167,844 up 35%. Policyholders surplus has been increased to \$2,260,788. Benefit payments were \$4,076,430.

New Orleans CLUs Hear Hunt

George L. Hunt, vice-president in charge of agencies New England Mutual Life and a trustee of American College of Chartered Life Underwriters, addressed the New Orleans C.L.U. on the progress being made in educational work among agents of the better companies. In his own company, he said, the number of agents 10 years ago was three times as large as today, but the smaller number are better trained and are producing three times as much business.

DEATHS

THOMAS R. CROWLEY, 55, partner in Crowley & Marr, general agency for Penn Mutual Life at Washington, died after a long illness. He had been with the company since 1921.

JERRY J. HUGHES of Elizabeth City, N. C., 64, district manager of Shenandoah Life for many years, died after a brief illness. At the time of his death, he was mayor of Elizabeth City. He had served two terms in the state senate.

HUGH MASON, 60, unit manager in the A. Bleetsman agency of Equitable Society at New York City, died.

WELLINGTON R. SLOCUM, 78, former cashier of Travelers, died at Hartford hospital after a short illness. He had retired in 1936 after 33 years' service.

OBSERVATIONS

Keep Cool, Win a Client

There is apparently nothing that can shake the sales consciousness and presence of mind of a veteran life insurance salesman. We recently heard of a case where a motorist in an ancient hack backed out of a parking space and rammed into a brand new automobile. The driver of the new car must have seethed inwardly, but he managed to keep a rein on his feelings and the resulting settlement was handled most amicably.

The driver of the old car which did the smashing reported to us that after the settlement he received a letter in which the man whose car had been smashed, thanked him for his courtesy and mentioned the fact that he was a life insurance agent and that he would like to get together and talk about a building rather than a repairing business. A friendship has developed and a clientship is likely in the offing.

Convention Time Saver

One general agent has solved the problem of how to send post cards to as many people as he wishes while he is away at a sales convention. Several weeks in advance of the convention he has sent to him from the hotel where he is to stay post cards with scenic pictures of the area. This is handled directly or through the home office man in charge of arrangements.

He has messages inscribed on the cards by his secretary at his own office. Then he takes the cards with him and mails them from the convention site. This gives him a couple of weeks to do the job and gives him some extra time at the meeting with his associates. Of course for special friends he can write a card or two from the convention itself.

Gain Company in Displeasure

Life companies that buy bond issues direct from the borrower will no longer have a monopoly on the displeasure of the securities dealers who are irked at being by-passed. Some of the big investment trust companies are getting into this field. Recently, Affiliated Gas Equipment, Inc., of Cleveland, announced that six major open-end invest-

ment companies had bought directly 200,000 shares of its common stock at \$10.65 a share. Investment trusts ordinarily buy securities from brokerage and investment banking firms.

Those participating in the purchase were Investors Mutual, Inc., and Investors Stock Fund, both of Minneapolis; Fundamental Investors, Inc., and Investment Management Fund, Inc.; National Investors Corp. and Bullock Fund, Ltd.

Human Retirement Relations

The funding and administration of a retirement plan, though important, are not the only problems involved for employers. An increasing number of employers is concerned with the human relations phase of their retirement program.

J. D. Lindower of the Owens-Illinois Glass Co. in a talk before the American Pension Conference listed as five major problems of employers in retirement plans the adoption of a retirement plan, presenting the plan to employees, administering the plan, preparing people for retirement, and keeping annuitants happy after retirement.

Meet Mr. Average Leader

According to a recent survey, the average member of the New England Mutual Leaders Assn. paid for more than \$800,000 of new insurance on 71 lives last year. This composite of the top producers is 44 years old, owns his home, has a college education, two children and \$60,000 of personal life insurance.

He has been with New England Mutual for 13 years, it took him 2½ years to exceed an annual production of a quarter million dollars and he entered the life insurance business because of the job independence and greater earning possibilities.

It took Mr. Average Leader two calls to complete each sale with a substantial portion of his business coming from old policyholders. He has completed one or more of the company's training courses and is active in his local association.

His forecast for life insurance sales in 1950 is: "As good as or better than 1949."

1949 Juvenile Sales Continued High

Purchases of juvenile insurance on the lives of those under 15 held at practically the same level last year as in the previous two years, nearly \$3 billion, according to the Institute of Life Insurance.

Last year, nearly 8% of all ordinary and nearly 40% of all industrial sold was on the lives of children under 15. Total juvenile life in force is about \$15 billion, or 5% of all ordinary and 20% of all industrial in force.

Mass. Mutual General Agents Attend Florida Meet

There were 80 agency heads attending the general agents association conference of Massachusetts Mutual at Hollywood, Fla. Major addresses were given by President Alexander T. Maclean, Vice-presidents Leland J. Kalmbach and Chester O. Fischer, and Earl O. Shreve, immediate past president of the U. S. chamber of commerce.

Victors' Reward



Ralph E. Kiplinger, (right) vice-president of Guarantee Mutual, presents the company trophy to the leading general agent of the company for 1949, Carl M. Leonard (left) of Tulsa. Mr. Leonard and his men have led the company for seven out of the last eight years.

Figures from Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1949	Insa. in Force Dec. 31, 1949	Increase in Insa. in Force	Prem. Income 1949	Benefits Paid 1949	Total Disburs. 1949
Afro-American Life	5,099,919	471,134	974,616	20,033,785	29,776,875	-123,532	2,507,329	878,368	2,306,736
Country Life	54,666,081	7,224,630	5,248,927	53,790,163	395,759,476	39,187,270	8,947,428	2,064,115	4,392,502
Great-West Life	357,621,351	26,385,267	17,590,411	219,709,091	1,261,965,748	132,589,295	41,647,838	20,350,662	37,309,455
Guardian International	3,048,548	399,615	323,585	14,770,629	38,243,885	4,943,148	936,877	41,495	757,097
Home Friendly	8,850,413	689,864	1,917,567	7,826,599	40,238,215	1,118,744	1,537,539	519,132	1,290,928
Life of Georgia	46,991,721	7,948,063	11,910,892	429,730,639	643,194,676	67,442,251	33,280,007	7,488,461	28,482,697
National Old Line	3,991,710	645,969	415,883	11,652,205	38,240,220	8,081,737	1,155,247	95,325	737,271
Pennsylvania Mutual	5,968,691	392,126	78,275	7,294,403	42,441,024	2,353,150	1,204,512	461,409	1,064,444
Pioneer Mutual	17,188,480	687,319	1,633,916	4,268,930	59,783,467	916,064	1,524,695	1,012,935	1,574,918
Prudential	8,325,414,772	479,313,143	443,542,466	4,055,266,909	31,303,661,591	1,668,636,865	1,046,346,546	592,546,561	928,679,698
Rural Life	2,336,581	527,630	221,915	4,677,665	26,346,820	2,314,735	782,901	76,878	413,155
Union Life, Va.	8,742,717	1,221,467	2,317,382	25,956,887	68,101,364	1,957,893	3,393,855	798,911	2,450,863
United American	3,035,041	819,362	508,935	4,698,270	25,451,670	3,265,810	1,037,846	260,954	667,494
FRATERNALS									
Ind. Order of Foresters	48,331,574	698,890	121,845	22,594,416	133,020,418	5,251,831	3,543,094	3,470,219	5,641,556
Knights of Columbus	74,237,013	4,024,420	6,672,147	27,634,201	355,754,661	17,465,601	7,996,052	4,577,555	7,836,705
Women's Catholic Foresters	25,347,475	61,218	4,195,914	3,748,437	57,946,251	8,892	1,200,423	848,202	1,513,243



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LIFE AGENCY CHANGES

Larmer Manages Union Central Agency in Capital

Clyde M. Larmer has been named manager at Washington, D. C., for Union Central Life.



C. M. Larmer

Rains Wallace, for 13 years manager of the Washington agency, will remain as associate manager, concentrating on personal production.

Mr. Larmer is a graduate of the University of North Carolina. He has been in the life insurance business since 1937. For four years, he has been assistant manager of Mutual Life in Washington.

Swett & Crawford and Union Mutual Team Up

Union Mutual Life of Portland, Me., has appointed Swett & Crawford as Pacific Coast general agents for life and disability lines. Union Mutual has re-entered California. It was originally licensed in 1850 and was the fourth life insurance company to get a California permit.

At first Union Mutual will be handled by Swett & Crawford for California only through its offices at Los Angeles, San Francisco, Oakland, Fresno, Sacramento and San Jose. Later, Swett & Crawford will take on Union Mutual in Oregon, Washington, Arizona, Texas and British Columbia.

Waldo T. Worcester, former assistant manager of the home office agency of Union Mutual becomes manager of the Swett & Crawford life department, Charles H. Biesel, former assistant manager of New York mid-town branch, becomes life manager at San Francisco

and John C. Russell, Jr., former group supervisor at Buffalo, becomes head of the group department at Los Angeles.

Mr. Worcester has been with Union Mutual since 1932. He is a graduate of Boston university. He was president of Union Mutual's Leading Production Club five times.

Mr. Biesel has been service with Connecticut Mutual at New York, Provident Mutual, Massachusetts Mutual, Manhattan Life and for the past year has been with Union Mutual.

Mr. Russell is a former John Hancock man and has been with Union Mutual since last November.

N. Y. Life Transfers Stanard

Harold E. Stanard, assistant manager of New York Life for Connecticut, has been transferred from New Haven to Hartford as manager there. Before going to Connecticut, he was assistant manager at Newark.

State Farm Promotions

Several promotions have been made by State Farm companies.

Merritt C. Ackland, formerly manager at Alhambra, Cal., has been named agency director in charge of the 11 western states. He is succeeded at Alhambra by Dale Hill, who has been manager at Vallejo.

Dale V. Flippo, agency supervisor in California, has been named state director of the Carolinas. He is succeeded by Delbert M. Kibbie, formerly district manager at Glendale, Cal.

Snead Quincy General Agt.

Occidental Life has appointed Ray M. Snead general agent at Quincy, Ill.

After many years as sales supervisor with an appliance firm, Mr. Snead joined Equitable Society as an agent in 1941 and was promoted to field assistant in 1944. After two years' service in the signal corps overseas, he rejoined Equitable in 1946 as field as-

sistant and in 1947 was appointed district manager at Chanute, Kan.

William M. Zarick, former acting manager at Quincy, has been appointed associate general agent. He has been with Occidental since 1945.

State Mutual Appoints Florian Los Angeles G.A.

State Mutual Life has opened a new downtown office in Los Angeles in the

Security Title Insurance building with Robert E. Florian as general agent.

Mr. Florian entered life insurance in 1935 as a Penn Mutual agent, later becoming assistant general agent. In 1943 he became assistant general agent for Aetna Life. After leaving the army, he rejoined Aetna as general agent in Salt Lake City. He has served as president of the Toledo Lief Underwriters Assn., director of the Ohio association and of the Salt Lake association and as president of the Salt Lake C.L.U.



R. E. Florian

Rouch Assistant at Wichita

Edward H. Rouch, Jr., Topeka, has been appointed assistant manager of Mutual Life at Wichita, assisting Manager Percy G. Gibson in supervising 19 Kansas counties.

Peter Now East Pa. Chief

M. Cary Peter has been appointed eastern Pennsylvania manager for Reliance Life with headquarters at Philadelphia. Jordan Guathier has been named associate manager.

Mr. Peter joined Reliance in 1946 as agency supervisor for Kentucky, later becoming assistant director of training and then agency assistant. He is a navy veteran. Mr. Guathier has been with the company for 20 years and since

1941 has been in charge of the Philadelphia territory.

Frank Antrobus Named at Pontiac for Lincoln Nat'l

Frank Antrobus has been appointed general agent at Pontiac, Mich., for Lincoln National Life. He takes the place left vacant by the death of M. J. Malarney.

Mr. Antrobus has been in the business 17 years in Ohio. For the past 14 years he has served in managerial capacities in Cincinnati and other Ohio cities, most recently at Hamilton for Western & Southern Life. He is a veteran of the last war.

Alfred Westgarth has joined the Campau, Mullally & Meier agency, Muskegon, Mich., as head of the life and personal insurance department. He has been with Sun Life at Detroit for several years.

Harold H. James has been appointed production manager of Prudential's Pacific Northwest mortgage loan office at Seattle. He joined Prudential in 1938.

John E. Griffith has been promoted to brokerage manager of the Brown agency of Prudential at Oakland.

MANAGERS

Recruiting Buffalo Topic

W. Merle Smith, Mutual Life, was moderator of a panel discussion on "How to Prospect for Recruits" at a meeting of Buffalo Life Managers Assn.

Participating were Charles C. Brown, New York Life; Allan W. Carpenter, Penn Mutual, and Allen O'Donnell, Equitable Life of Iowa.

To Discuss License Law

V. V. Van Leuven, New York Life, will address Life Managers & General Agents Assn. of Milwaukee March 24 on "The New Wisconsin Life Agents Qualification and Licensing Law." He is a member of the advisory board appointed by Commissioner Lange to assist the department in setting up machinery to conduct statewide examinations of prospective life agents.

Dr. Katz Lists Basic Motivations

At the agency management conference sponsored by Ohio State University at Columbus, Dr. Daniel Katz of the University of Michigan discussed "Newer Analyses of Motivation." He said people are motivated by either external constraints and sanctions, or by rewards and punishments.

Miss Louise Neumann, personnel director of Northwestern Mutual Life, spoke at a dinner-meeting of Milwaukee Life Insurance Cashiers Assn.

Golden C.L.U. Speaker

Edwin Golden, top flight producer for New York Life, will speak at a luncheon meeting of San Francisco C.L.U. chapter April 4. His talk will be divided into two sections, "Life Insurance Instead of a Raise," and "As Regards Estate Taxes, Are You Exposed to Double Jeopardy?" Mr. Golden has produced more than \$2 million a year for the past three years.

B. M. A. Has Regional Meet

Business Men's Assurance held a regional managers conference at Chicago. The home office was represented by J. W. Saylor, vice-president in charge of sales, and D. H. Armstrong, assistant to the vice-president. Recruiting, training, and supervision methods were reviewed. Considerable attention was given to the vital importance of conserving business and being of every possible service to policyowners.

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NEWS OF LIFE ASSOCIATIONS

California Caravan Begins Itinerary at San Francisco

Problems of selling partnership insurance were considered when the 1950 Northern California Sales Caravan made its inaugural appearance at a meeting of San Francisco Life Underwriters Assn.

Participating in the program were Don W. Munro, manager of the northern California agency of Union Central Life; Samuel W. Coombs, manager Equitable Society at Oakland; William L. Hardy, manager of the home office agency of West Coast Life; Leslie W. Harper, New World Life, Oakland; Frank L. Muncy, Rollin Rodolph & Co., and Richard J. Shipley, general agent for Northwestern Mutual Life.

The caravan will make its second appearance before the Oakland-East Bay association March 24. The rest of its itinerary is: Chico, March 31; Sacramento, April 1; San Jose, April 19; Fresno, April 21; Stockton, April 21, and San Rafael, May 11.

Lansing Association Has Teachers as Its Guests

LANSING, MICH.—Entering a new field of public relations, Lansing Assn. of Life Underwriters participated as a unit in the observance of Business-Industry-Education Day in Lansing, which gives the city's public school teachers an opportunity to observe the operation of various lines of business.

Fourteen teachers selected life insurance for their study and were the association's guests for the program which included a luncheon.

Participants included the association officers, Herbert B. Thompson, director life and fraternal division, Michigan department, and a group of large producers who presented a panel discussion.

Would Increase Iowa Dues

DES MOINES—In a mail ballot conducted by Iowa Assn. of Life Underwriters, 13 associations voted in favor of increasing dues while only two associations were opposed. Seven associations voted in favor of forming an Iowa General Agents & Managers Assn., three were opposed and five did not vote. The matter is expected to be presented at the annual convention at Des Moines May 12-13.

Harry S. McConachie, vice-president and superintendent of agents of American Mutual Life, has been appointed chairman of the legislative committee of the state association. He succeeds T. J. Kieselbach of Mason City, who recently was transferred.

Tilin Quarter Million Chief

San Francisco Quarter Million Dollar Round Table has named Lew Tilin, Mutual Life, as president, succeeding James V. Lawry, Northwestern Mutual. Allan Yambert, New York Life, is vice-president; Virginia Wood, Northwestern Mutual, secretary.

Jones Speaks at Boise

Wesley J. A. Jones, executive secretary of International Assn. of A. & H. Underwriters, spoke on the objectives and program of the International association at a joint meeting at Boise of the Life Underwriters Assn. there and Western Idaho Assn. of A. & H. Underwriters.

Toledo Sponsors "Search" on TV

Toledo Assn. of Life Underwriters will show the Institute of Life Insurance film, "The Search for Security," over the local television station WSPD-TV. A postcard has been sent by association members to every policy owner in the area calling attention to the broadcast.

Kansas City Sales Congress Attendance at Record 400

Attendance at the sales congress of the Kansas City Assn. of Life Underwriters reached a record 400 and drew agents from as far away as Wichita.

The speakers included John Lawrence, manager of Prudential at Houston; Daniel P. Cahill, supervisor of schools for Mutual Life; Lantz L. Mackey, Home Life, Detroit, and William King, general agent of Fidelity Mutual at St. Louis. Judd C. Benson, Union Central, Cincinnati, president of N.A.L.U., speaking at luncheon, contrasted the philosophy of life insurance to the socialistic trends in government.

Mr. Lawrence's theme was that the price of failure is higher than the price of success. The failure spends a life of misdirected effort and wasted energy, long hours of disagreeable and monotonous routine work with small pay, ceaseless worries and the galling role of being forced to watch other men forge ahead. He said that too many men "answer the siren call of the rut and remain in the beaten paths that are for beaten men. Nothing worthwhile has been achieved without constant endeavor, some pain and a constant application of the lash of ambition," he concluded.

Flemming on Ohio Program

Arthur S. Flemming, president of Ohio Wesleyan University, will speak at the fellowship luncheon at the convention of Ohio Assn. of Life Underwriters at Dayton May 12-13 on "What's Happening to the Recommendations of the Hoover Commission." Dr. Flemming served as a member of the Hoover Commission and is now chairman of the "Little Hoover Commission", which has been set up to study the administrative branch of the Ohio state government.

Fifty members of Philadelphia Life Underwriters Assn. have been organized into a speakers corps to promote the cancer crusade of American Cancer Society. Head man in this undertaking is Benjamin M. Gaston, general agent for Philadelphia Life.

Hartford—Harry E. Duffy, Connecticut Mutual, Waterbury, one of the company's top producers, addressed the March meeting.

Utica, N. Y.—Horace R. Smith, assistant superintendent of agencies of Connecticut Mutual, discussed "The Light Touch Does It."

Memphis—Charles E. Cleeton, Occidental Life, Los Angeles, secretary of N.A.L.U., spoke on "Life Insurance Today." Sidney Genette, president, made several 100% membership awards.

Chattanooga—Isaac S. Kibrick, New York Life, Boston, told the association that "insurance is the only hope of the middle class, which now has no corner grocery or other small business to leave for the operation of their families."

Wausau, Wis.—Dr. F. C. Johnson, member of the Marathon County Medical Society panel of speakers, discussed "Socialized Medicine" at a luncheon meeting of the Wisconsin Valley association.

Greensboro, N. C.—Paul Schenck, Jr., has been elected president; Howard Carr, first vice-president; George Stone, second vice-president; W. B. McGlamery, treasurer; McKenzie Tabb, secretary; Alvin T. Haley, national committeeman; Walter Bernstein, state committeeman.

Lawrence, Kan.—Samuel P. Quarles, general agent Provident Mutual, Kansas City, spoke. Guests included Prof. Larry Faust, University of Kansas, and Charles D. Howard, group representative of Connecticut Mutual, Kansas City.

Manhattan, Kan.—At a ladies night meeting Mrs. Minna Hensley, Franklin Life, Salina, spoke on "A Cook's Tour."

Plainsmen (Kan.)—The March meeting will be held at Oberlin and the April

meeting at Colby, when Commissioner Sullivan will speak.

Newark—James E. Rutherford, vice-president of Prudential, took the part of a policyholder and gave some advice to the 200 agents who attended the March luncheon. William Konow, Prudential, Newark, president, was chairman.

Lincoln, Neb.—W. A. Fraser, Bankers Life of Iowa, national committeeman of the Nebraska association, pleaded for a "practical" system of providing benefits for retired workers and dependent beneficiaries of deceased workers. He asked for a system that "will not become an undue burden on our children who will be called on to pay the tax bill when we become the beneficiaries of such a

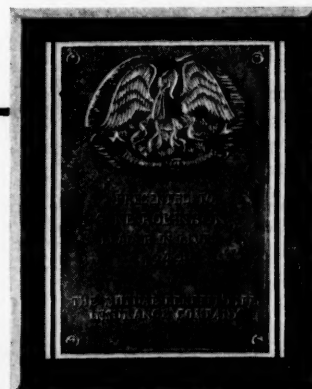
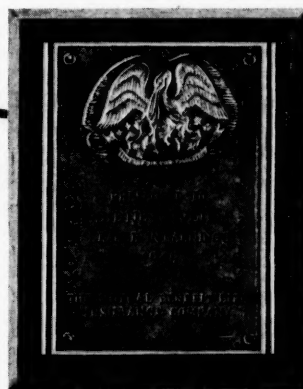
system."

Austin, Tex.—B. A. Laudermilk, superintendent of agencies of American Hospital & Life, spoke on the need for motivation in selling life insurance. Levi Bottoms, managing director of L.U.T.C. is speaking March 24.

Worcester—Robert P. Hallock, superintendent of agencies Massachusetts Protective and Paul Revere Life, spoke.

Springfield, Ill.—William E. North, manager of New York Life at Chicago and first vice-president of the Illinois association, discussed "Building for the Sale."

Pittsburgh—William D. Davidson, associate agency manager for Equitable Society at Chicago, talked on "A Philosophy for Clientele Building."



Two men we're proud of

SID WEIL and GENE ROBINSON

Sid Weil, top-flight Cincinnati agent, for the fifth time leads all Mutual Benefit agents in his paid-for production. Congratulations, Sid. May you continue for many more years among the leaders in service to your community and your company.



Gene Robinson, our Louisville agency's star, is also winner of the company's Lives Leader Trophy for the second consecutive year. Gene never fails to amaze us with his annual total of over 200 lives . . . all from the little town of Elizabethtown, Kentucky with a population of 4,000.

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

ORGANIZED IN 1845 NEWARK, NEW JERSEY

AGENCY NEWS

Gwinn Opens Life Unit

Homer Gwinn & Co., Chicago, is establishing a life department as general agent of Mutual Trust Life. This is the first time the company has provided brokerage facilities through a Chicago agency writing general lines.

Mark Agency Anniversary

The 10th anniversary of Clyde R. Welman's Tri-State agency of National Life of Vermont at Memphis was observed with addresses by D. Bobb Slatery, vice-president, and Judge Deane C. Davis, vice-president and general counsel. About 55 agents attended.

Judge Davis also addressed the Memphis C.L.U. chapter, discussing his new book, "Business Insurance."

The Rockford Agency of Republic National Life has been designated the February "Agency of the Month." It also was first in new man production and average per man production.

The Kerns agency of Northwestern Mutual Life at Salt Lake City held its annual meeting. Benjamin B. Snow, Jr.,

director of agencies, and Robert E. Templin, agency assistant, represented the home office. W. F. Ogden, H. W. Ogden, F. M. Kelly, S. C. Young and M. C. Robbins, agency leaders, were honored.

Connecticut Mutual Leader

Connecticut Mutual's president's trophy for the outstanding agency of 1949 was awarded to the Love agency at Hartford at a banquet attended by more than 75 agency members and Peter M. Fraser, president, and George F. B. Smith, vice-president in charge of agencies.

The Youngman agency of Mutual Benefit Life at New York, currently leading the field force in new life insurance written, held a special meeting at which John S. Thompson, president, discussed the company's 1949 report.

46 Qualify for Women's QMDRT

Forty-six women members of National Assn. of Life Underwriters have already qualified for membership in the 1950 Women's Quarter Million Dollar Round Table. The qualifying period closes July 31. All applications must be filed by Aug. 15.

AMONG COMPANY MEN

Franklin Life Ups Keith S. Smith

Keith S. Smith has been appointed regional sales director at Springfield, Ill., by Franklin Life.



Keith S. Smith

While a teacher at Kankakee, Ill., high school in 1936, Mr. Smith was a part-time agent for Northwestern Mutual Life. After army service he joined John Hancock as an agent at Kankakee. He led the company in ordinary production for four years and was made assistant general agent in 1947. Two years later he was named general agent at Springfield, Ill., by Continental Assurance.

Mr. Smith is a life member of the Million Dollar Round Table. He went with Franklin Life the first of this year.

appraiser there in 1947 and was promoted to assistant manager in charge of production later the same year.

Promoted from mortgage loan inspector to mortgage loan appraiser at the Boise office are: Robert T. Elliott, Howard T. Carroll, Joseph M. Hughes, William V. Wells and Richard A. Parker.

Promoted from mortgage loan inspector to mortgage loan appraiser at Sacramento are: Edward R. McDowell, Richard D. Good, John E. Hirliman, Jr., and Arthur L. Bellis.

Southland Changes



K. B. Skinner

Southland Life has elected J. D. Churchill as actuary, E. B. Hume as assistant secretary and assistant comptroller, John L. Evans as assistant secretary, Herman van Maanen, assistant secretary and Kenneth B. Skinner as assistant agency director. Mr. Skinner is president of the Dallas C.L.U.

C. F. Hobbs, Former Kansas Commissioner, Heads Insurer

Frank J. Seitz has resigned as president of American Home Life of Topeka and has been succeeded by Charles F. Hobbs, former commissioner of insurance for Kansas. Mr. Hobbs retired from the state post in 1946 after having held it since 1928.

Cal.-Western Advances Simpson to 2nd V.-P.

Neil Simpson, superintendent of group sales for California-Western States Life, has been advanced to 2nd vice-president and superintendent of group sales.

He has been with the company since 1946. Before that he was district group manager for Connecticut General at Chicago and Milwaukee.

Named Personnel Manager

Phoenix Mutual has appointed Eric T. Franzen manager of the planning and personnel department. He was formerly personnel assistant. He joined the company in 1947 following navy service.

Great-West Ups Jex, Bragg

Great-West Life has advanced R. L. Jex from group secretary to assistant group actuary and John M. Bragg from assistant actuary to group secretary. Both are fellows of the Society of Actuaries.

Harold A. Bateman has been elected associate general counsel of Insuromedic Life. He and Dr. Cullen L. Tubb and J. N. Fisher have been elected directors.

Republic Nat'l Ups Skelton

C. J. Skelton has been advanced from assistant secretary and office manager to secretary of Republic National Life. He also has been elected a director. He has been with the company his entire business career.



Great Southern Advances 6; Greenwood Named Director

Great Southern Life has made several home office promotions. Berney Morgan is now assistant manager of the claim department; Earl Tully, assistant agency cashier; Fred C. Cassel, assistant manager of the policy department; R. S. Boyle, auditor; J. E. Sebesta, assistant treasurer, and W. H. Keese, assistant secretary. F. Jack Greenwood, agency assistant, has been named a director.

Occidental Names Blake Home Office Supervisor

Occidental Life has appointed James P. Blake home office supervisor for Missouri, Kansas, Nebraska and western Iowa. He has been general agent of Lincoln National at Oklahoma City and has been president of a General Agents & Managers Assn. there and secretary of the Life Underwriters Assn.

After college, Mr. Blake was for five years a John Hancock agent at St. Louis, where his father was the manager, and then for nine years with State Mutual before joining Lincoln National.

Reichow Field Supervisor

James D. Reichow, who has served as editor of "Field Notes", house organ of Minneapolis Assn. of Life Underwriters, has been named field supervisor for Minnesota Mutual Life. He will be succeeded as editor by Chester H. Nelson.

Leverett Shifts Companies

Ora R. Leverett, vice-president of Life of America and American Fidelity of Fort Worth, has joined International Fidelity of Clarksville, Tex., as vice-president and director of agencies.

Mr. Leverett has been in the business since 1918, starting with National Security of Kansas and moving in 1927 to United Fidelity when those companies were merged. He was later with Southern Old Line Life as assistant secretary until 1937 when he helped organize United Services Life.

Mr. Leverett is an organizer of Polio Insurance Assn. of Dallas and is its president.

Prudential Raises 10

Harold H. James has been appointed production manager of the Prudential mortgage loan office at Seattle. Mr. James joined Prudential as a mortgage loan inspector in Omaha in 1938 and was promoted to mortgage loan appraiser in 1946. He became supervising

Kansas City Life's lion, for over a half-century, has symbolized the complete protection and security this nation-wide Company provides for its policy-owners. Our growth is testimony enough that the confidence we have enjoyed has been well placed.

KANSAS CITY LIFE INSURANCE
KANSAS CITY COMPANY MISSOURI



Sales Ideas and Suggestions

Compare Your Opportunities as an Agent with Those on Your Old Job

John Lawrence, manager of Prudential at Houston, told those attending the sales congress of the Kansas City Assn. of Life Underwriters that it would help a good many agents to leave the business temporarily to see it from the outside, or at least to try to picture the business from the perspective of their old jobs, of what they did before they became life insurance men. To bolster his point, Mr. Lawrence quotes from a letter written to his old general agent by a former life insurance man. The letter ran as follows:

"It seems to me it would do a world of good for some of the agents to get away from the firing lines for a few days or a few weeks, to get hold of other jobs and then they would see the really wonderful opportunities offered them by life insurance.

"I have been away only a short while, but already, I am beginning to realize how much life insurance can mean to one. If we would work as hard for ourselves as we have to work for others (which I am afraid I did not do) I am sure that most of the agents would add to their applications and many men would be in the leaders' club who now miss it by only a few thousand.

"How many of us are really on the firing line by 9 o'clock in the morning?

And how many stay out there and work until noon? How many work till noon, then take an hour for lunch, and with a prospect, too, and are back by 1 or 1:30 and work straight through till 5?

"How many are there who go back after supper, finishing up that day's work, staying with that last man until 9 o'clock, 10 or later, if necessary, to save the day?

"Not many, or at least not as many as should. But still, that is the regular routine in many offices and the difference in pay? Why, there isn't a man in any office who wouldn't work an extra hour or two a day for \$50 or \$100 a month increase in salary and yet any life insurance man can do that easily if he will only apply himself.

"One or two extra apps a month surely wouldn't take any of us 24 or 26 hours to get.

"All in all I think I am going to be a big gainer by this little leave of absence. It brings home to me more clearly than anything else could just how valuable a franchise I had when I was given a contract by my company."

Returned to the Business

The man who wrote the letter did return to the life insurance business, Mr. Lawrence relates. He had been in his second year in the business and things had been breaking pretty tough for him and he had the opportunity to get back to his old job with a salary. He sent this letter 60 days after he was back on his old job.

After the writer of the letter returned in the middle of August, his company started a five months' drive for the balance of the year and on Dec. 31 this man stood fifth in the entire company in percentage of gain over quota. He stood 23rd in paid-for in his company, despite the fact that he was missing two weeks in the contest.

In the same speech Mr. Lawrence pointed up one of the factors which lull agents into a false sense of accomplishment, because of the current great popularity of term business. He said it was a mystery to him how any man could work without a definite quota and he made it clear that he means by this a quota in lives, a quota in volume and a quota in premium. "If I set up a minimum quota of two apps a week of \$10,000, and of \$300 in premiums and then if I come home on Monday night with a \$10,000 term policy I'm not going to fool myself. I have my volume but I am short on my apps and I am short on my premiums. On the other hand, I may have my apps, but I haven't my volume, and perhaps I don't have my premiums. There is a constant spur, a constant incentive for me to keep going.

"My quota must be high enough to thrill me with its attainment, but still be within my possibility of making it," he concluded.

Trust Interest Decline Shows Value of Options

A helpful sales point showing the value of guaranteed income options was provided agents in a recent report of the trust division of the New York State Bankers Assn. to the legislature in which it asked for liberalized investment rules in the state. The report noted what has happened to the income of a hypothetical trust of \$100,000 invested over the past 20 years according to the law of that state. The report says "estimating the income of such

a trust at around \$4,700 some 20 years ago this income would have fallen to about \$3,800 in 1937 and to about \$2,900 or lower now. If we assume that the income of such a trust is for the support of a widow with two dependents, the present income, which is 40% lower than that of 20 years ago, and 25% lower than that of 1937, must meet a cost of living close to 70% higher than in 1937 and federal taxes 10 times as high."

The purchasing power of the insurance beneficiary's dollar is affected by inflation but it always remains the same. The company has to make up out of reserves what it isn't earning on its investments to fulfill policy option guarantees.

Harm Private Pensions

Industry wide pension programs and area wide plans like that now actively being pushed in Toledo only serve to

destroy private pension plans, the National Assn. of Manufacturers, through Ira Mosher, former N.A.M. president, told the Senate finance committee at its hearings on social security legislation. He also said that every additional benefit must be weighed on the basis not only of social needs, but also on the capacity of the economy to support the cost.

Finds No Clause Conflict

An attempt to prove a conflict between the two-year incontestable clause and the aviation exclusion clause of a policy lost out in an appeal from the Smith county district court to the Texas court of civil appeals at Texarkana. The plaintiff contended that there was an ambiguity because of an alleged conflict between the two policy provisions and that the ambiguity should be construed in favor of the insured. The court, however, upheld the trial court's view that there was no conflict.

LIFE MANAGER

A well known general agency is looking for a man to head their already established life department with a large volume in force.

This man must be familiar with group A. & H., group life and pension trust plans.

The man who can fill this position can name his salary.

For particulars write

FERGASON PERSONNEL
330 S. Wells Street HARRISON 7-9040
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COMPLETE PERSONAL INSURANCE COVERAGE

- LIFE • HEALTH
- ACCIDENT
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- GROUP • FRANCHISE
- BROKERAGE
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"REGISTERED POLICY PROTECTION"

REPUBLIC NATIONAL LIFE INSURANCE COMPANY

THEO. P. BEASLEY, President
DALLAS, TEXAS.

ACCIDENT AND HEALTH

Legion Chief to Be Chicago A. & H. Banquet Speaker

George E. Craig of Indianapolis, national commander of the American Legion, will be the guest of honor and chief speaker at the 25th anniversary banquet of Chicago A. & H. Assn. May 16, it was announced at the association's March meeting by Irving Wessman, Loyalty group, chairman of the banquet committee. Mr. Craig will speak on the present outlook for communism and the welfare state in the United States. Governor Stevenson of Illinois and Mayor Kennelly of Chicago will attend.

There will also be three 15-minute talks, by Insurance Director Hershey of Illinois on the present outlook for accident and health so far as the insurance departments are concerned; V. J. Skutt, president Mutual Benefit H. & A., on the outlook for companies writing accident and health, and E. H. O'Connor, Insurance Economics Society, on the outlook for federal and state compulsory insurance laws.

The banquet will be held at the La-Salle hotel at 7 p.m. and will be preceded by a cocktail hour at 6:30.

Revision of A. & H. Sales Training Course Discussed

A revision of the sales training course of International Assn. of A. & H. Underwriters was discussed at a meeting of the disability insurance coordinating committee at Chicago. Possible changes in the curriculum were explored and its availability to A. & H. agents studied. The idea of offering a course of A. & H. fundamentals tailored to the needs of individual agencies or companies was discussed. It was pointed out that such a course could be offered on a three or five-day basis, or longer if desired. Further study will be made before final plans for a course revision are adopted. Other subjects discussed include sales promotional events and public relations.

Representing the International association were: D. S. Walker, Mutual Benefit H. & A., Philadelphia; B. A. Hedges, Business Men's Assurance, Wichita; President C. B. Stumpf, Illinois Mutual Casualty, Madison, Wis., and W. J. A. Jones, executive secretary. Representing H. & A. Underwriter Conference were: J. W. Scherr, Jr., Inter-Ocean; R. L. Paddock, Time; E. J. Faulkner, Woodmen Accident; C. O. Pauley, John P. Hanna and James R. Williams of the conference staff.

The committee is a liaison group to coordinate the interests of agents and companies for the development of A. & H. insurance as a public service.

H. & A. Conference Holds Regional at Los Angeles

H. & A. Underwriters Conference held a regional meeting at Los Angeles Monday for coast companies. George W. Kemper, Fireman's Fund Indemnity, presided at the morning session and R. W. Smith, Sr., Unity Mutual Life & Accident, in the afternoon.

The training and licensing program for agents in California was reviewed by S. S. Battleson, West Coast Life, and Milton L. Rose, general agent Massachusetts Protective. J. C. Earl, Beneficial Standard Life, discussed hospital, medical and surgical insurance, and F. Britton McConnell, Unity Mutual Life & Accident, took up HR6000, the social security extension bill.

C. O. Pauley, managing director, and John P. Hanna, associate managing director, from the conference headquarters office at Chicago, discussed various phases of legislation and insurance department rulings.

There was also the usual open forum, when topics were schedule type policies, over-age risks, cash sickness laws and their effect on the business and paying claims when policyholder is a patient in a VA hospital, concluding with the question box.

when the total premium value of A. & H. was \$1,300,000,000. "We expect a bigger volume this year," he said. He attributed the increase to record high employment, population increase and peak earnings.

There were some 200 who attended this meeting which was the first of its sort sponsored by the Buffalo association. The president of the group, Henning B. von Arnim, president, Rupert L. Abbott, Massachusetts Indemnity, was chairman of the event and C. H. Newell of Norman Duffield & Co., was toastmaster. Among other speakers were Carl Ernst, manager of North American Life & Casualty, St. Paul; Sidney Fields, Massachusetts Indemnity, Cleveland; B. F. Helmbrecht, general agent Mutual Benefit H. & A., Buffalo, and Michael J. Denda, resident vice-president, New York, for Union Mutual Life.

Richard Caldwell, United States Life, Newark, stressed the need for a return to fundamentals in selling. He supplied to all those in attendance an "inventory" of the sales practices that he regarded as fundamental, and asked each of them to check off his "stock on hand" as Mr. Caldwell presented the importance of each item.

Morgan O. Doolittle, president of Empire State Mutual Life, the closing speaker, summarized the high points of the various addresses and also made a plea for more effective public relations work on the part of both the companies and the agents.

De Young Tells Buffalo Congress A. & H. Is Big Time

Jay DeYoung, manager of the Continental Casualty A. & H. branch at Chicago, speaking at the first sales congress of the Buffalo Assn. of Accident & Health Underwriters said that A. & H. insurance today ranks as one of the largest divisions of the insurance industry. There was a tremendous increase in the volume of business last year

Carey Hartford President

HARTFORD—John H. Carey, Jr., general agent of Loyal Protective Life, is the new president of Hartford Assn. of A. & H. Underwriters. He succeeds J. Vincent Budds, General Accident.

Carl A. Buechner, National Casualty, is vice-president, and Wallace G. Payne, Century Indemnity, secretary. New executive board members are J. Arthur Cope, Joseph J. Guica, Louis Norman,

Program for Kansas Sales Congress May 13 Announced

Program for the annual sales congress of Kansas Assn. of Life Underwriters May 13 at Salina, with the Salina association as host, has been released by Elliott Beldon, Franklin Life, Salina, 1st vice-president of the Kansas association, who is general chairman.

The morning program will include Lyman E. King, director of agency training of Republic National Life, Dallas, a past president of the Kansas association, on "Want, Move and Succeed," and Horace R. Smith, assistant superintendent of agencies of Connecticut Mutual, on "It Takes a Light Touch." There will also be a panel on "Prospecting and Approaches."

On the afternoon program will be C. Brainerd Metheny, Fidelity Mutual, Pittsburgh, "The Magic of Life Insurance," and Glenn W. Isgrig, Reliance Life, Cincinnati, "Let's Put on a Good Show." The sessions will be held at Kansas Wesleyan University.

Mrs. Minna Hensley, Franklin Life, Salina, and former secretary of the Kansas Life Underwriters, heads the reservations committee and Chairman Beldon urges that reservations be made early.

Friday morning, May 12, the directors of the Kansas association meet, followed by a luncheon. The annual business meeting of the Kansas association is set for 3 p. m. The Kansas Leaders Round Table have a dinner meeting that night with Horace R. Smith as speaker on "Leadership Price Tags."

The dinner meeting that night of the general agents and managers will be open to all agents not attending the Leaders Round Table dinner. It will be preceded by a "Salina Sociability Session" and followed by an hour's "Fun Frolic," an innovation for Kansas gatherings.

The entire program is being built to

give practical suggestions and profitable and workable ideas to the life underwriter producing from \$150,000 to \$350,000, according to General Chairman Beldon.

Rosser Urges Producer Use His Time Effectively

CINCINNATI—"If you do a secretary's work, that is probably what you will earn," Mitchell Rosser, million dollar producer of Phoenix Mutual, Boston, told Cincinnati Assn. of Life Underwriters. He said that in order to use his time more effectively, an agent should get a competent secretary who will be his "alter ego."

Mr. Rosser discussed a number of methods which have worked effectively. "The insured may be only a policyholder to you, but you are his life insurance man," he said. Every policyholder, even if he only has one policy, receives a leather policy wallet. A "thank-you" letter is written after every interview. An age change letter, sent to 30 or 40 policyholders monthly, produces two or three appointments a month on a card enclosed with the letter. Newspaper clippings are enclosed in a special folder and mailed to the individual with a congratulatory message. The proposal is always individually typed.

Letters to policyholders are always short, to the point, and close "cordially" or "sincerely." He uses direct mail and conducts an extensive circularization of the homes in his neighborhood, numbering about 400. These have produced 58 cases for over \$1,000,000.

When business insurance is purchased by a corporation on partners or employees, a statement is sent to the firm each year showing the cash value, dividends, net cost, and increase in cash value for the current year, compared with the premium.

Let's Go . . . !

To get your share of New York Disability Benefits Law business, the place to go — or telephone — is Eubank and Henderson. The sooner you get in touch with us, the sooner you'll be in a position to serve and sell your prospects. Time is growing short — see us for full information and sales assistance.

Find out about our well-known, no-charge, "know-how" service!

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For Sales' Sake—Watch These Ads

NATIONAL RESERVE LIFE

Topeka, Kansas

A few unusual opportunities open for liberal general agent franchises in states west of the Mississippi.

H. O. CHAPMAN, President

J. L. Murray, Beecher Swaim and Mr. Budds. Samuel B. Reed, assistant secretary of the claim department of Connecticut General Life, explained the effect the new phraseology now being used in accident contracts has on the consideration and evaluation of claims.

Bill O. Brink Is Now the Head Man at Detroit

Detroit Assn. of A. & H. Underwriters, which will be host to the annual meeting of the International association June 26-30 on a Great Lakes cruise, has elected Bill O. Brink, Mutual Benefit H. & A., and United Benefit Life, as its new president. He is also convention general chairman.

Harold A. Bowdway, Massachusetts Protective, becomes first vice-president; Bruce A. Brown, second vice-president; and Robert M. Clark, Mutual Benefit H. & A., secretary-treasurer. Executive board members are Dan S. Holefca, Life of Virginia, retiring president; Robert J. Barrett, Monarch Life; Jack Whiting, Income Guaranty; Ed Matyn, American Insurance Agency; Ben Schenck, Jr., American Hospital-Medical Benefit, and Robert Guy, Mutual Benefit H. & A.

It was announced that more than 400 reservations already have been made for the convention cruise and that 700 more are still available.

Charles J. Gayreau, Toronto manager of Canada Health & Accident, will speak April 11 on "Sell the Need (The Policy Will Sell Itself)."

New Jefferson National Plans

Jefferson National Life is issuing a new combination protection plan and has revised its individual and family group hospitalization policies.

The combination plan consists of A. & H. plus life insurance. The A. & H. portion provides lifetime accident benefits beginning with the first two years.

WANT ADS

WANT AD INFORMATION

Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

A Life Insurance Company with over \$10,000,000.00 Group Premiums in Force is seeking a Group Actuary, not over 40 years old, who is a Fellow of the Society of Actuaries, with a background in Group Underwriting.

This is an excellent present position with opportunity for advancement.

In writing give experience history. All inquiries will be treated confidential.

Address: Z-7

The National Underwriter
175 West Jackson Boulevard
Chicago 4, Illinois

MAN WITH A FUTURE

Offers imagination, youth, five year success pattern in life selling, training and direction. Interested in Agency Assistant, Manager or Home Office Training opportunity. Living in Cincinnati, will move. Address Z-8, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Midwestern life insurance company has staff opening for man under 35 experienced in Home Office operations. Necessary qualifications include ability to supervise employees, handle correspondence, and a general knowledge of the business. College training desirable. All replies held in strict confidence. Address Z-17, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

House confinement is not required.

The hospitalization plans now cover hospital and special nurse expenses and are written in amounts from \$5 to \$15 per day. Full indemnity is paid up to 100 days.

Seek to Stump Experts

A. & H. Underwriters Assn. of St. Louis at its meeting this week endeavored to "Stump the Experts", who were Oliver Siegmund, General American Life; Frank Philpott, Federal Life; Ralph Burnette, Mutual Benefit H. & A., and George Stevens, Travelers.

Goldstein Heads Managers

Jacob Goldstein, manager of Unity Mutual Life & Accident, has been elected president of A. & H. Insurance Managers Club of San Francisco. Thomas S. Dixon, Massachusetts Indemnity, was named vice-president. A secretary will be appointed later.

Ohio Congress Features

The program for the annual meeting and sales congress of Ohio Assn. of A. & H. Underwriters, to be held at the Seneca hotel, Columbus, April 14, has now been completed.

In addition to the speakers previously listed, it is announced that Roscoe R. Walcutt, Ohio state senator, who is a noted after-dinner speaker, will talk at the banquet. Following the banquet, Lynal Clark, line coach of Ohio State University, will show the official motion pictures of the Rose Bowl game between Ohio State and University of California.

Youngstown Group Elects

John E. Harriman, Illinois Bankers Life, has been elected president of Mahoning Valley A. & H. Underwriters Assn., Youngstown, O. Charles E. Woodman is vice-president and Harold Lawler of Columbiana, O., secretary.

Ohio UCD Hearing March 27

The Ohio disability unemployment insurance commission, which is studying the "need or lack of it" of cash sickness benefits in Ohio will hold its third meeting at Columbus March 27. This hearing will be devoted, it is announced, to an inquiry of various state departments as to the foreseeable effect that an enactment of any program of temporary disability legislation would have on such departments.

Indiana Congress Postponed

Because of the difficulty in securing top-notch speakers for March 31, the date originally set, Indiana Assn. of A. & H. Underwriters has postponed its sales congress until some time late in April or early May.

Life Woman A. & H. Speaker

Mrs. Laura Githens Smith, president of Women's Life Underwriters Assn. of Chicago, will speak March 28 at a dinner sponsored by the women's division of Chicago A. & H. Assn.

Mrs. Smith, formerly assistant sales manager of Maxwell Motor Co., at Chicago, for 11 years has been a producer for Northwestern National Life.

Complete S.M.U. Course

The current graduating class brings to 500 the number that has completed the Southern Methodist University course. C. E. Gaines, vice-president and director of agencies of Great National Life, delivered the commencement address.

United Fidelity Life of Dallas has elected Mrs. D. Easley Waggoner a director. She is the wife of its president.

Inter-Ocean has named 21 agents to its Legion of Loyalty, a lifetime honor group. Members are those who have qualified for the Loyalty emblem 15 or more times.

COMPANIES

Mutual Life Installs a New Group Plan

Mutual Life is installing a contributory plan for group life for full-time employees to supplement its security and retirement plan. The first five years the company will contribute 20% of the annual premium and pay the difference between the annual and 12 monthly premiums. The new plan limits the life insurance to what could be purchased with an annual premium not exceeding 5% of annual salary, or \$600 whichever is less.

Declares 35-Cent Dividend

Connecticut General Life has declared a dividend of 35 cents a share, payable April 1 to stock of record March 20. The previous payment on the new capitalization was 25 cents, and 25 cents extra.

Examine Old Republic Credit

The regular triennial examination report on Old Republic Credit Life of Chicago has been filed with the Illinois

department. The summary states that the company's cash position is well maintained and surplus funds are being currently invested in diversified securities, and that policy claims are settled promptly and in accordance with contract provisions.

Dedicates New Office Building

Union Protective Assurance, Negro life company of Memphis, observed its 15th anniversary with the dedication of a new \$40,000 district office building there. President Lewis H. Twigg addressed the dedication meeting.

Loses Beneficiary Control

A life insurance policy which is given irrevocably to a beneficiary is no longer in the control of the insured and even though the latter has reserved the right to change the beneficiary he cannot do it, the Southern Maine federal court has ruled in Aetna Life vs. Putnam et al.

Addresses Indianapolis Club

Kenneth Foster, Indianapolis attorney, at a meeting of the Indianapolis C.L.U., discussed estate planning. Insurance is doing this job well, he said, but the cooperation of the attorney, trust officer and agent is necessary.

GIVE THE MAN A CHOICE

FLEXIBILITY is nice in retirement plans, too!

Can any buyer predict how he'll want to use his maturity values years from now? He may need more than the customary choice of cash or income.

He may want some paid-up life insurance and the rest of his values in cash, or lifetime income.

Five such maturity options instead of the standard two are included in Occidental's new Special Retirement Income at 65 Participating, plus some new attractive pre-maturity options. We'll write the plan with Disability Income, Family Income and Mortgage Protection riders, too.

That's how we make retirement plans truly flexible.



Occidental Life

INSURANCE COMPANY of CALIFORNIA

V. H. JENKINS, Senior Vice President

"WE PAY AGENTS LIFETIME RENEWALS...THEY LAST AS LONG AS YOU DO"

N.A.L.U. Committees Present Reports

(CONTINUED FROM PAGE 3)

points out that agents' expenses have increased more than proportionately to gross earnings.

Following are the subcommittee's recommendations for amending section 213:

1. Agents' compensation as such should be removed from the present expense limit controls and stated in a section by itself which will set the maximum limits for agents' compensation in simple and understandable language.

2. The present expense limits controlling the cost of agency operations, excluding compensation paid to agents, should be revised and such revision should give general agents and managers equality of opportunity under the law.

3. The companies' portion of the cost of agents' pensions, group insurance and other welfare benefits should be removed from the agents' compensation control. In the present law, this is not the case with the result that where companies are paying the maximum compensation permitted by the law and where they wish to add a pension plan, the cost to the company of such a pension plan must be obtained by reducing some other part of the agents' compensation program.

4. Advances or subsidies to new agents getting started should be separated from the agents' compensation section in order that such advances or subsidies can, under no circumstances, be charged against the maximum compensation permitted agents. In other words, the established agent should never have his maximum compensation reduced due to a company's policy of agency expansion.

FEDERAL LEGISLATION

It is highly important that N.A.L.U. members take an active interest in opposing any modification of section 22 (b)(1) of the internal revenue code, it is urged by the committee on federal laws and legislation, of which N. H. Seefurth, Northwestern Mutual, Chicago, is chairman. The Treasury is trying to have the interest increment in installment proceeds taxed. There is

neither equity nor reason in the view that a widow must pay a tax on a part of each monthly installment when she may live to receive only one installment, although she might collect the entire face amount in a lump sum without payment of tax, the report states.

The report mentions N.A.L.U.'s efforts to make it possible for an insured to give up ownership of a policy without having the proceeds included in the taxable estate; to eliminate the discrimination against transfers of policies for a valuable consideration; put taxation of annuity payments on a life expectancy basis, and to permit qualification of pension plans under section 165(a) for life agents but opines that the possibility of a general tax revision bill being introduced at this session is rather dim.

SOCIAL SECURITY

The social security committee, headed by Herbert R. Hill, Life of Virginia, Richmond, stated that at the time of writing its report these guesses seemed likely:

1. Hearings will continue until around the first of April when the Senate finance committee will go into executive session.

2. At that time full use of the federal grass roots program will be imperative to bring the views of the N.A.L.U. not only to the individual Senators, but also to the representatives in the House.

3. This is because the Senate finance committee will probably amend HR 6000 substantially and the bill, if passed by the Senate, will have to go into joint conference between representatives of the House and the Senate.

4. Paragraph (4) of the definition of "employee," the "economic reality" test,

will in all probability be substantially amended or completely eliminated. The pressure from various employer organizations, other than the life insurance industry, has been and will continue to be very substantial.

5. This report will have to be substantially amended at the meeting of this committee in Oklahoma City, March 22.

Most of the report is devoted to a review of HR 6000 developments up to the time the report was written. The report also mentions that a special committee had been appointed to study whether N.A.L.U. should oppose compulsory health insurance, that its decision was for doing so, that the trustees had agreed and that it was planned to offer a resolution to this effect at Oklahoma City.

STATE LEGISLATION

All 14 of the replies received from state legislative chairmen who were asked whether non-insured pension plans should be put under insurance department jurisdiction favored the idea. Nine believed that the non-insured plans hurt their business substantially. Only four could give instances where such plans had failed because of not being actuarially sound but most of those unable to cite such failures indicated that these plans are so new that no judgment could be rendered. When all the returns are in a subcommittee will be appointed to follow through on the best approach to the problem.

The special committee named to study, in relation to the public interest, the practices surrounding the combination sale of term insurance in connection with investment trust certificates was expected to render an oral progress report at Oklahoma City and a final report with recommendations at the annual meeting in Washington.

The state legislation committee also reported on the number of states lacking a written examination requirement, the need for getting the commissioners' 1948 group definition enacted in more states, and the more important bills in the 12 states that are or will be in session this year.

FIELD PRACTICES

The field practices committee, headed by Mac F. Begole, Massachusetts Mutual, Detroit, deplores "a trend toward group life insurance sales on the part of a few companies which by-pass the services" of the agent. The committee recommends that N.A.L.U., through local and state association resolutions, express disapproval of this practice.

The committee asks continued support for the plan of adopting a universal service form developed by the New York City association, which authorizes companies to supply data to an agent of another company as requested by the client.

The committee is still working on a statement of guiding principles and field practices to supplement the statement of guiding principles in agency management, but the conclusions were not available in time for the midyear meeting.

PUBLIC INFORMATION

The committee on public information, headed by F. Leroy Garrabrant, New York Life, Asbury Park, N. J., and Ray T. Wright, Provident Mutual, Lawrence, Kan., reports that it has had several conferences with Institute of Life Insurance and the companies on the suggestion made in the national council meeting last September that life insurance week be reinstated. The committee expects to bring in a definite report at Washington at the annual convention.

The majority of local and state associations have organized themselves into units for all community and public relations activities instead of merely relying on the work of individual members, to gain for the agents a better public un-

derstanding of their place in the communities and in the country's business life. This has included activity among school children, in public libraries, the holding of public meetings, local association publicity, the showings of the Institute of Life Insurance film "For Some Must Watch"; the Illinois association's film, in cooperation with University of Illinois, issuance of filmstrips for high school students; and the preparation of large window displays by the institute and N.A.L.U. The committee has also been working on the matter of re-selling the free enterprise system to the public.

MEMBERSHIP

The membership committee, headed by Charles E. Cleeton, Occidental, Los Angeles, N.A.L.U. secretary, reported excellent results in reinstating lapsed memberships through a direct mail campaign. A collateral result has been "many frank and helpful criticisms which will be shared with local associations wherever feasible."

The campaign disclosed that many valid new and renewal memberships are not entered on N.A.L.U. records because local associations fail to report them. "A startling number . . . gave as the reason they lapsed their membership: 'Nobody asked me to maintain my membership or billed me for my dues.'" These persons said they would be glad to be reinstated.

Figures on membership were omitted from the preprinted report but were to be presented orally at the meeting.

EDUCATIONAL

The committee on education and training, headed by Wheeler H. King, New England Mutual, New York City, stresses the desirability of integrating the activities of all educational instrumentalities, such as the Life Underwriter Training Council, American College, campus courses and local spot or specialty courses, to minimize overlapping of specific functions and "competition" of a type which might have negative effects in terms of the overall interests of the institution of life insurance.

The committee believes that each of these instrumentalities should be so promoted by the national association and its local units that each of them may render the full measure of service within its sphere of activity and that all of them may function in harmony and unity for the best interests of the business. As the first step in implementing this policy the committee has adopted a resolution recommending to the national council that it use its prestige and influence to induce each local association to include each year in the membership of its committee on education and training the following persons:

(a) Chairman of the local L.U.T.C. committee, if any, otherwise the recognized leader in this field; (b) chairman of the educational activities of the local C.L.U. chapter, if any, otherwise the recognized C.L.U. educational leader; (c) any other chairmen or leaders of other instrumentalities in education and training which may be operating locally under institutional sponsorship; (d) the resident member of the committee on education and training of the National Assn. of Life Underwriters, if any.

The resolution also asks that one-third of the committee on underwriter education and training be chosen to serve a period of three years, another one-third to serve for a period of two years and the final third to serve for one year in order that there may be continuity of service.

ASSOCIATIONS

In view of the widespread participation thus far in leadership training schools for new local and state association officers, it is expected that the 1950

The Tide Turns . . .

We have our own ideas about the Texas tidelands suit — but whichever way that's decided, we still know that *the tide is turning to RESERVE LIFE.*

General Agents looking for a Company with salable policies, good commissions, and *real home office cooperation* are joining up every week. If you're looking for this kind of General Agency connection, write to S. J. Gilbert, Vice President and Director of Life Agencies.

RESERVE LIFE INSURANCE COMPANY HOME OFFICE: DALLAS, TEXAS

STEADY GROWTH...Now Operating in Seven States

Year	Assets	Capital Surplus	Insurance in Force
1908	5,482	5,482	744,032
1938	1,015,879	302,266	11,741,911
1948	4,969,740	1,417,585	74,653,754
1950	7,380,635	2,000,562	91,425,487

Conscientiously and satisfactorily serving the people of Missouri, Illinois, Iowa, Kansas, Kentucky, Arkansas, and Oklahoma since 1907.

MISSOURI INSURANCE COMPANY

705 CHESTNUT STREET

ST. LOUIS 1, MISSOURI

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schools will serve practically all the associations. In view of this it is of vital importance that all state and local associations, wherever possible, conduct their elections and appoint their principal committee chairmen in ample time to notify the individuals that part of their duty is to attend the school to be held shortly after their election.

The committee, headed jointly by John D. Marsh, Lincoln National, Washington, D. C., and Harry J. Syphus, Beneficial Life, Salt Lake City, is seeking a practical method to make its leadership training outlines into two sections, one to be a perpetual administrative outline of duties and functions and the second giving the long-term "objectives" of the association and the annual "objectives" to be defined currently from year to year and submitted to the state and local associations in a series of monographs.

The report mentions that some local associations don't require association membership as a condition precedent to membership in leaders' round tables and similar organizations. While the national body cannot specify such a requirement, it is seeking ways to encourage local associations to include it.

AGENTS COMMITTEE

The agents' committee, headed by David B. Fluegelman, Northwestern Mutual, New York City, notes with concern "the trend toward self-insured plans and similar trustee pension fund cases under which the agent is bypassed." The report urges that every possible action be taken to avoid the writing of mass coverage that bypasses the agent. "We feel this problem is becoming of increasing importance and should receive the careful attention of all our members."

Although 12 out of the 20 committee members are C.L.U.s, the report emphasizes the committee's belief that degrees and educational programs "do not necessarily make the professional man."

The committee also says: "We would urge every life underwriter to strive to maintain a professional point of view in dealing with his clients. Until this is accomplished, we can never truly hope to fully accomplish the complete recognition of our vocation as a profession in the minds of the public."

The report commends the compensation committee's subcommittee on the New York expense limitation law for its efforts, the social security committee for getting full-time life agents included in H.R. 6000; the fact that eight states have enacted legislation substantially equivalent to N.A.L.U.'s agents' qualification bill; the national quality award program, the field practices committee, particularly as respects promoting guiding principles in agency management.

The subcommittee named to encourage councils of field underwriters within local associations is accumulating information to develop kits to aid associations wishing to form these councils.

TRUST OFFICERS

The committee on relations with trust officers, of which Ron Stever, Equitable Society, Los Angeles, is chairman, reports that there are now 46 trust councils, of which two have been organized since the N.A.L.U. annual meeting last September. Seven more are now under consideration. The committee does not press for the formation of new councils until conditions in the local community create a spontaneous request. A meeting was held in February with a committee of trust officers at which many projects for future consideration and development were discussed. A few localized areas of misunderstanding between trust men and life agents were reported. These fall principally into the pension trust field where there has appeared to be an element of competition between insured and trustee pension plans. In reviewing conditions wherein trust de-

partments of banks appeared to have favored uninsured plans, two courses of action were recommended for exploration: (1) Identify and attempt to overcome misunderstandings at the local level by conducting investigations wherever needed; (2) since the trust companies and the life insurance business have a common interest in the pension business it was agreed that each should operate on a basis of mutual understanding. "Our committees should consider the advisability of preparing a 'Statement of Guiding Principles Relative to Trustee Pension Plans.'"

Following the midyear meeting the committee plans to put out a more com-

prehensive report, including a full directory of officers of existing life-trust councils.

ATTORNEYS

The committee on relations with attorneys, headed by Harold Smyth, National Life of Vermont, Hartford, submitted five recommendations on what it terms "the developing critical problem" of bar association efforts to prevent agents in their estate planning work from getting into the practice of law.

The committee held two meetings in February with American Bar Assn. rep-

resentatives, at which James B. Hallett, N.A.L.U. general counsel, and Albert Hirst, counsel New York State Life Underwriters Assn., were present. Discussion there indicated "the slowly crystallizing resolve on the part of the American Bar Assn. and local bar associations, to bring injunction proceedings throughout the country against individuals who, the lawyers feel, are consistently and illegally practicing law."

"The line between ethical and proper practice and unauthorized practice of law is often very close," the report states. "Each case must stand on its own particular facts in the light of the decisions of each state. As a result, it

FINANCIAL STATEMENT AS OF DECEMBER 31, 1949

LUTHERAN BROTHERHOOD

Legal Reserve Life Insurance for Lutherans

Herman L. Ekern, President

HOME OFFICE, 608 SECOND AVENUE SOUTH, MINNEAPOLIS 2, MINNESOTA

The Lutheran Brotherhood is composed of Lutheran Men, Women and Children owning 202,018 life insurance contracts. These people are the Lutheran Brotherhood, they own the Lutheran Brotherhood and they alone receive the profits of the Society. There are no stockholders. All Lutherans in the United States and Canada are eligible for membership.

ASSETS

First Mortgage Loans:		
City	(28.29%)	\$13,813,155.98
Farm	(19.90%)	9,717,527.04
Church	(3.55%)	1,734,942.71
Mortgage Loans Insured by U. S. Gov't.:		
Vet. Adm.	(5.60%)	2,735,114.97
F. H. A.	(5.22%)	2,550,236.15
Collateral Loans	(.17%)	83,012.96
Bonds:		
U. S. Gov't.	(13.89%)	6,782,281.57
*Other Gov't, State and Municipal	(10.93%)	5,338,688.41
Railroad, Public Utility and Corporate	(4.31%)	2,103,685.46
Stocks	(.21%)	103,850.00
Policy Loans	(4.06%)	1,981,527.73
Cash	(.88%)	427,856.00
Premiums Due and Deferred	(2.20%)	1,075,878.33
Due and Accrued Interest	(.62%)	301,398.42
Home Office Site		1.00
Real Estate Sold Under Contract		3.00
Miscellaneous Assets	(.17%)	80,912.76
Total Admitted Assets	(100.00%)	\$48,830,072.49

*Bonds with a market value of \$233,895.84 are deposited with Government and State Departments as required by law.

LIABILITIES

*Reserves on Life Contracts	\$31,904,673.84
*Reserves on Annuities	3,775,997.08
*Reserves on Disability	179,779.19
*Held in reserves required by statute for the payment of benefits promised our policyholders. Present Value of Death Claims Payable in Installments	878,035.17
Claims Awaiting Proof	33,014.86
Present Value of Disability Claims Payable in Installments	154,703.94
Dividends Left at Interest and Dividends Due	4,017,700.70
Advance Premium Reserve	2,775,026.58
Amount deposited in advance for payment of future premiums	485,686.93
Miscellaneous Liabilities	\$44,204,618.29
Total Liabilities	\$48,830,072.49
Special and Contingency Reserve	\$ 334,460.55
Unassigned Funds	4,290,993.65
Surplus to Policyholders	4,625,454.20
Total to Balance	\$48,830,072.49
Solvency Ratio	Ratio 109.09%
Interest Earned	Net Rate 3.76%
Actual to Expected Mortality	Ratio 15.95%

SUMMARY OF GROWTH AND PAYMENTS TO POLICYHOLDERS

	Ins. in Force	Admitted Assets	Surplus	Interest Earned	Death Claims	Divs. Paid
1918	\$ 676,500.00	\$ 6,735.09	\$ 1,331.47	\$ 68.96	\$ 100.00
1920	2,193,500.00	47,943.34	16,095.95	1,522.17	2,000.00	\$ 935.91
1925	9,390,000.00	431,157.68	70,728.56	19,477.66	12,500.00	10,621.00
1930	37,675,188.00	2,420,549.09	220,928.06	107,834.52	67,993.00	86,203.89
1935	51,028,342.00	5,559,928.85	469,920.35	235,056.19	156,579.87	135,199.49
1940	74,888,463.00	11,457,782.59	1,156,215.74	460,916.67	213,754.00	263,783.36
1945	138,755,513.00	24,448,645.60	2,002,999.93	962,148.34	432,288.70	536,164.32
1946	175,820,660.00	28,894,359.97	2,261,435.03	1,075,167.78	382,956.21	610,647.07
1947	215,573,110.00	34,819,133.26	3,121,369.78	1,286,664.64	261,867.00	712,415.28
1948	252,984,452.00	41,489,919.04	3,760,386.50	1,482,011.27	553,930.00	867,260.63
1949	283,878,841.00	48,830,072.49	4,625,454.20	1,772,489.40	502,271.00	1,039,028.67

HIGHLIGHTS OF 1949 STATEMENT

GAIN IN LIFE INSURANCE IN FORCE FOR 1949	\$30,894,389.00
GAIN IN ASSETS FOR 1949	7,340,153.45

	1949	Total Since Organization
DIVIDENDS	\$1,039,028.67	\$ 7,211,387.26
OTHER PAYMENTS TO POLICYHOLDERS	640,870.56	5,395,747.41
PAYMENTS TO BENEFICIARIES	502,271.00	4,961,209.45
Total	\$2,182,170.23	\$17,568,344.12

INSURANCE IN FORCE, DEC. 31, 1949 . . . \$283,878,841.00

was agreed that the National Conference of Lawyers & Life Underwriters, a joint group of N.A.L.U. and the American Bar Assn., could not define a guide any more complete than that contained in the 1948 national statement of principles of cooperation between lawyers and life underwriters.

The conference group, following its February meetings, prepared a press release the gist of which was that it is not only legal but beneficial for an agent to motivate a client or prospect by bringing up the various problems inherent in the disposition of his estate. However, when an agent drafts any legal document, such as a will, trust agreement, corporate charter, by-laws, partnership or cross-insurance agreement, etc., or attempts to interpret their legal effect, he has stepped over the bounds and is engaging in the practice of law.

It was the meeting's consensus that the American Bar Assn. should take more active steps to implement the national statement by a letter to the chairmen of the unauthorized practice of law committees of local and district bar associations. These local chairmen would be requested to get in contact, as soon as possible with the local life underwriters association, with whom a joint committee might be formed. These joint committees would act when complaints arose locally, in an endeavor to smooth the matter out before the bar association took action in the courts, which action would operate disadvantageously in the public mind to both groups.

OTHER ORGANIZATIONS

The report of the committee on relations with other organizations, headed by Verne C. Gilbert, Equitable of Iowa, Portland, Ore., took up mainly the committee's work with U. S. Chamber of Commerce, American Institute of Accountants and National Assn. of Credit Men. E. L. G. Zalinski, executive vice-president, and Richard E. Imig, director of association development, met with staff officers of American Institute of Accountants in February and it was then agreed that a special outline be jointly prepared. With this report before it, the committee will be able to select the items of activity that will be most valuable to the two organizations. There is an excellent spirit of cooperation between the two organizations.

Cooperation with National Assn. of Credit Men is not too easy, since it is set up on a district basis but much can be done locally and credit men are realizing the importance of life insurance

and its benefits and are urging their members to cooperate with N.A.L.U. members. They have suggested monthly meetings between the respective groups. The committee urges that local associations do whatever possible to organize such meetings.

PUBLICATIONS

The publications committee, headed by C. J. Currie, Mutual Life, Atlanta, gives a highly favorable report on all the N.A.L.U. publications. It mentions that Life-Notes, the monthly publication used by local associations to carry their own messages to their members, is now being used by 274 local groups as against 249 last year.

GENERAL AGENTS

The report of the general agents and managers committee dealt mainly with the promotion and conduct of round tables in agency management under the leadership of Osborne Bethea, Penn Mutual, New York City. Twenty-one local groups of agents and managers are conducting these round tables over a 17-week period. The committee is also working with the American College to increase the effectiveness of its study courses leading to the management certificate and to broaden the participation of the membership in these study courses.

The report emphasizes the value of the work being done by L.I.A.M.A. through its schools in management and that of the Life Underwriter Training Council. W. Thomas Craig, Aetna Life, Cincinnati, is chairman of the committee.

WOMEN AGENTS

Reports from local associations show that many women are taking an active part in association affairs—holding office, serving on committees and contributing generously. A number of the most interesting public relations projects are reported, with emphasis on talks before groups of laymen, radio programs, television, use of educational films and materials, panel discussions, etc. As the year rounds out the committee hopes to have a more complete report of the participation of women agents in this phase of association work.

The women's committees are not only continuing to be active, but where the number is too small for a formal organization, informal meetings and projects

are being planned by the few there are or in consort with women in neighboring areas. A recent development appears to be women's committees in state associations. Helen A. Pendergast, Mutual Life, Washington, D. C., is chairman. Plans are under way to make attendance at the annual convention in September in Washington attractive to all women agents.

CONSERVATION

The conservation committee, headed by Winston Emerick, New England Mutual, Johnstown, Pa., is working on plans for a 10-year award, which like the present five-year award, will not require consecutive yearly qualification, but will depend only on the total number of years of qualification. The report mentions improvements, such as adding silver shields for each year instead of issuing a new certificate each year.

A special subcommittee is working on the problem of debit men who write no ordinary. The committee hopes to be able to present a solution at the national council meeting in Washington in September.

SPEAKERS BUREAU

The speakers bureau committee, headed by Isaac S. Kibrick, New York Life, Brockton, Mass., reports that national headquarters now has on file the names of more than 500 good speakers from almost every state in the country and N.A.L.U. is in a position to give immediate service on any calls for assistance. The speakers bureau has not confined itself merely to recommending speakers when called upon, but has volunteered information on speakers who had notified it of plans to take trips to distant points. Frequently it was possible for a local association to hear a fine address by someone from an entirely different part of the country at little or no added expense. There has been a good response from Mr. Kibrick's letter to agency vice-presidents, asking them to recommend up-and-coming agents and agency heads who might be called on to make occasional speeches in their nearby areas.

Determines Time of Death from Laymen's Testimony

Illinois appellate court has ruled that the testimony of three witnesses, none of them doctors, was sufficient ground for the lower court to hold that a man and his wife had not died simultaneously but that the husband's death had preceded the wife's death and that the insurance proceeds should go to her estate rather than to his. Roy W. Spain, accompanied by his wife, drove his car into the side of a freight train. When trainmen examined them Mr. Spain appeared to be dead but Mrs. Spain was heard to groan and move.

In spite of a doctor's testimony, on behalf of Mr. Spain's estate, that a layman could not be certain that Mr. Spain had actually died, the appellate court affirmed the trial court's decision. It was an interpleader case, Prudential being the insurer.

Dismisses Amer. Christian Suit

A suit started by Commissioner Krueger of North Dakota to force American Christian Life to deposit money in a bank to cover alleged impairment of assets has been dismissed by Judge Thom. Attorneys for the company contended that Krueger's procedure was wrong and that a hearing should have been held before court action was taken. The state will appeal.

W. O. Childress, vice-president and director of agencies of Republic National Life, will spend about 10 days visiting the company's mid-western agencies after attending the L.I.A.M.A. small companies conference at Chicago this week.

FRATERNALS

Unity Life & Accident Stars Meet at Chicago

The Presidents Club of Unity Life & Accident at its week long convention in Chicago, celebrated a year of achievement. At the annual banquet President E. R. Deming announced that during the past year total assets reached \$8,590,325. There was cash of \$418,056 and the organization retained government bonds amounting to \$3,225,830 and other bonds amounting to \$4,108,193. The association has doubled its assets in four years.

At the banquet, greetings were delivered by Mayor Kennelly of Chicago and awards were made by L. J. Bayley, secretary and Ned Randall, superintendent of agencies. Guests at the banquet were James M. Smith, vice-president and James Hampton, assistant vice-president of Continental Casualty, and Foster F. Farrell, secretary-treasurer of the National Fraternal Congress.

Line Up Canadian Program

Canadian Fraternal Assn. has scheduled its annual meeting for June 7-9 at St. Donat, Que. The medical and field men's sections will meet the first day. The following day will be devoted to committee reports and addresses with the main banquet taking place that evening. On Friday there will be further talks, committee appointments, forums and elections.

Heart Diseases, Cancer Make Up Two-Thirds of Metropolitan Death Claims

Two-thirds of the \$269 million in death payments by Metropolitan Life in 1949 were for deaths from diseases of the heart and blood vessels, or from cancer. Deaths from the chronic diseases of the heart and blood vessels made up \$139,175,000 of the payments, against 44% 10 years ago. Cancer payments were 17% of the total, as compared with 13.4% in 1939. Part of this rise is due to more accurate diagnosis of cancer as the cause of death.

Polio death claims totaled \$741,000, more than twice as much as in 1948 or 1946, the most recent previous epidemic years. The total was nine times as much as for the communicable diseases of childhood as a group, and 14 times as much as for cerebrospinal meningitis.

Payments for deaths from tuberculosis were 20% lower and from pneumonia and influenza 40% lower than they were 10 years ago. Similar gains have been made in reducing deaths from appendicitis and the diseases of childbearing.

About one dollar in each 10 paid out was for deaths from external causes, with accidents accounting for \$21,304,000, suicide \$4,928,000, and homicide \$1,326,000.

Security Mutual Elevates 4

Robert M. Best and Robert E. Richard have been appointed assistant superintendents of agencies for Security Mutual of Binghamton. Mr. Best was formerly supervisor of group sales. Mr. Richard was assistant to the superintendent of agencies.

William H. Marshall has been named supervisor of group sales, and Richard W. Ellsworth agency assistant.

CLU Circulates Reprint

The Memphis C.L.U. chapter is mailing to attorneys, bank officers, accountants there a reprint of an article appearing in the Washington Law Review and State Bar Journal written by Sanford M. Bernbaum, Penn Mutual Life, Seattle. The article deals with the role of the C.L.U. in the field of estate planning.

An Anchor to Windward

There's a pleasant feeling of security in "an anchor to windward." That's particularly true in the feeling of safety which life insurance engenders. Freedom from fear of leaving the family in want plus the knowledge of its value in time of need makes life insurance a true anchor to windward to hold one safe and secure in this world of unknown tomorrows.

General Agency Opportunities

Brokerage Business Accepted



Girard LIFE INSURANCE COMPANY
PHILADELPHIA 6, Opposite Independence Hall

N.A.L.U. Picks Atlantic City for '52

(CONTINUED FROM PAGE 1)

Omaha. In addition to their oral presentation they passed out five-page mimeographed outlines of the plan.

This stated that "we as life insurance representatives who have built the greatest thrift institution in the world, have a moral obligation to do everything within our power to protect the purchasing power of the gigantic savings of our policyholders." It went on to say that sound members in congress, of both parties, have been unable to stem the inflationary tide that threatens national insolvency but that with enough money an all-out public information campaign could change the people's thinking and reverse the trend.

The proposal was to have N.A.L.U. sign up all its members and all possible non-members in the business and then sign up members of the public, the membership fee being a dollar. Other organizations interested in national solvency would be asked to join in the drive. The promoters of the plan believe that from \$10 to \$20 million could be raised in this way in a few months.

In spite of the able presentation of its sponsors the trustees finally decided, however, that it was not within the province of the association to sponsor the formation of any such organization as was proposed by the Nebraska group.

The resolution adopted opposing compulsory health insurance pointed out that the great strides made in improving the public's health in the last 50 years have been largely due to the great improvement in the quality of medical service, unhampered by regulation; that life insurance field men have actively helped in making available financial provision for prepayment of medical care; compulsory health insurance or expansion of social security to include total and permanent disability benefits would be a definite step against the public interest and the complicated and costly administration of any such program would lead to a more centralized and controlled economy.

The resolution is to be sent to local and state associations and to all members of congress.

Seek Russell Nominations

It was announced that nominations are now being sought for the John Newton Russell memorial award given annually for outstanding service to the institution of life insurance. Clifford H. Orr, National Life of Vermont, Philadelphia, immediate past president of N.A.L.U., is chairman of the award committee. Nominations must be submitted on the official form to N. A. L. U. headquarters, 11 West 42nd Street, New York City, before May 15. Anyone connected with life insurance may make a nomination.

As a result of a suggestion by T. J. Kiessbach, State Farm, Mason City, Ia., who is a member of the committee on associations, that some way be found for welcoming new national council members and getting them acquainted with convention procedure, a dutch treat breakfast was held Thursday morning for N.A.L.U. members attending their first national meeting and for the officers, trustees, and headquarters staff.

SS Report Unchanged

The social security committee report was adopted as presented. Herbert Smith, Northwestern Mutual, Harrisburg, moved to amend N. A. L. U.'s position on SS for agents to favor permitting each company to decide whether its agents should be regarded as employees or as independent contractors, the company still being permitted to pay what would be the employer's share under an employer-employee status.

At the C. L. U. luncheon Wednesday speakers were Karl Krogue, B.M.A., Spokane, president American Society C. L. U., and Julian Myrick, ex2dvp of Mutual Life. Toastmaster was L. M.

Klein, John Hancock, president of the local chapter.

Attendance exceeded 400 of which more than 200 consisted of delegates from out of the city. A big turnout is expected at the sales congress Friday.

AGENTS' SESSION

At the agents committee meeting Frank Mozley, Beneficial Life, Salt Lake City, brought up the practice of mortgage companies selling life insurance to cover the mortgage. Chairman David B. Fluegelman, Northwestern Mutual, New York City, suggested that the best antidote would be to get the N.A.L.U. model agents qualification law enacted in Utah, thereby making it impracticable for the mortgage company to have agents who would write this coverage.

There was also discussion of tie-in sales where companies lend on a mortgage and sell a mortgage insurance policy all in one package. It was brought that there is no question of the qualification of the agents in these sales.

Gerard S. Brown, Penn Mutual, Chicago, moved that it is the sense of the committee the sale of life insurance associated with the placing of a mortgage where the mortgage is contingent on buying the insurance in the same package is an unsound practice.

The motion passed unanimously.

As a solution to the problem of insurance counsellors, Mr. Fluegelman suggested the Massachusetts law that requires counsellors to take an examination which he said was comparable to C.L.U. examinations. The examination must be taken by any agents wishing to do insurance counselling for a fee.

Mr. Brown moved that similar laws be enacted in other states. One man present wondered whether unscrupulous counsellors might not be given added prestige by such a licensing law. Mr. Fluegelman made the point that at least such a law would insure that counsellors would be qualified, that incompetents would be kept from practicing and that the insurance departments would be given authority over counsellors. The motion passed unanimously.

The committee also voted to put the recommendation for promoting "councils of field underwriters" in local associations at the beginning of the report instead of at the end, for the sake of emphasis, and to place this activity under the direction of the full committee rather than of the subcommittee.

Maxwell L. Hoffman, director of field service, and Richard E. Imig, director of association development, were laid up with "flu" attacks during the first part of the meeting.

Federal Law and Legislation

At the federal law and legislation committee meeting Chairman N. H. Seefurth, Northwestern Mutual, Chicago, discussed the Treasury's proposal to tax the so-called interest increment in instalment payments of proceeds. Gerard Brown, Penn Mutual, Chicago, moved that a strong resolution be prepared urging that no change be made in the present tax-bill status of instalments and strongly stressing the social considerations involved. The motion was passed.

James B. Hallett, general counsel, told of the excellent response to the "grass-roots" program to make effective contracts with members of Congress in connection with H.R. 6000. One beneficial result thus far has been with members of Congress who were confusing the income tax on life companies with the proposals to tax the interest element in instalments of proceeds.

Mr. Hallett said he had assurance from an influential majority member of the ways and means committee that he would urge that consideration of taxing

instalments be tied in with deliberations on changing the annuity tax basis. This congressman favors the latter but is not for confirming HR 6000.

Indicating how the grass-roots plan works, Mr. Hallett said it enabled the association to contact two new majority members of the senate finance committee through N.A.L.U. members who know them intimately and, most important, who had their respect and confidence.

Discussing the Treasury's proposal for integration of gift and estate taxes, Mr. Hallett said the ways and means committee has so much on its hands that he doubted that the committee would get to a subject as big as integration this year.

Mr. Seefurth said he was sure that few people understand all the implications of the Treasury's proposal to base income taxation of annuities on life expectancy. He said a more equitable basis than that or the present basis might be to continue the present basis but change the 3% figure to 1%. He urged further consideration of the matter, particularly with respect to persons who have bought annuities at some time in the past.

Problems of field practices are evidently not much on the agents' minds, for nobody but the chairman, B. A. Schauer, Penn Mutual, Detroit, and Actary Gordon D. McKinney, headquarters aide to the committee, showed up at the committee meeting.

O'Toole Describes Essential Records

(CONTINUED FROM PAGE 4)

non-statistical record the contract file is vital.

Turning to statistical records, Mr. O'Toole recommended first of all production cards be kept for members of the field force. He commented that frequently it is found that a company maintains as many as eight different card files each containing a portion of the production information needed to supervise the operation of an agent. This information should all be consolidated on one production card which can also be used to summarize all production data for the sales staff in a branch or general agency and create a consolidated current record for the entire field force. Another valuable record for supervision is the periodic analysis of the field force, which includes age groupings of general agents and of the entire field force as of certain dates and an analysis of production by age groups for a year. This shows where the field force needs bolstering by an intensive recruitment and training program before death and incapacitation remove some of the better producers who have grown old. O'Toole Associates recommends to the companies periodic physical examination of key field personnel and adherence to the principle that every general agent must have a qualified understudy.

The speaker recommended that territorial or market analysis records be kept which show where present sources of new business are, comment on the quality of business in new areas, breaking down business by state and region. Such records can contain significant factors on the general economic status of each area, and insurance statistics for each area. This record serves as a guide to expansion or intensification of efforts with the present organization, home office and the field.

The speaker indicated that among the records of paramount importance are cost analysis records, charts or graphs which indicate costs over and above commissions. Armed with cost analysis charts, the sales executive can review them on visits to general agents. "Even the most argumentative agent becomes strangely silent when presented with dramatic graphic presentation of his expense records," he declared.

Colonial Starts Regionals

Colonial Life is beginning its yearly series of two-day regional meetings for agents and managers and has scheduled round tables for Pittsburgh, Philadelphia, New York City and in cities in southern and Northern New Jersey and upper New York.

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RICHMOND • ATLANTA

Vort Heads Former Wofford Agency of Prudential in N.Y.C.

Prudential has named Saul S. Vort, who has headed the Jamaica, L. I., agency since its inception 18 months ago, to succeed Harris L. Wofford, as manager of the Manhattan agency at 90 John street, New York. Mr. Wofford is immediate past president of New York City Life Managers Assn. Harold E. Boogar, assistant manager at Philadelphia, has been appointed to fill the vacancy created by Mr. Vort's transfer. The appointments are effective May 1, when Mr. Wofford will relinquish his post to devote his full time to personal production.

Mr. Vort started with Prudential in 1916 at the home office. Twelve years later he transferred to the Newark agency. He had served there as assistant and associate manager for 21 years when he opened the new agency at Jamaica last October. He is a past president of Life Underwriters Assn. of Northern New Jersey and of Life Supervisors Assn.

Mr. Boogar entered the life field in 1930 as an agent. After the war, when he was in defense work, he joined Prudential in the Ralph H. Rice, Jr., agency at Philadelphia. He has served as assistant manager there since 1946. He attended the commerce school of University of Pennsylvania.

A Hempstead branch of the Jamaica agency has been opened. Supervised by Mr. Herbert L. Lee, assistant manager. Mr. Lee has been associated with Prudential since 1933. He is a graduate of University of Berlin and the Sorbonne. He served for six years as assistant manager of the Stuyvesant (N.Y.) agency.

Julian S. Myrick Commends N.A.L.U. for Hoover Group

Commending the National Assn. of Life Underwriters for its efforts in behalf of the program of the Citizens Committee for the Hoover Report, Julian S. Myrick, assistant to the national chairman of the committee, said that "Congress might have an opportunity of putting through between 50 and 80% of the remaining reforms recommended."

The retired vice-president of Mutual Life addressed the midyear meeting of the national council of N.A.L.U. in Oklahoma City. He said that communications from President Benson of the underwriters group to all state and local associations suggesting the appointment of committees to cooperate on state and local levels with the citizens committee had given enormous impetus to its program and no organization in the nation had done more to promote the effort for reorganization. To date some 20% of the recommendations have been enacted into law he commented.

Two Iowa Hearings for Bankers Life & Casualty

DES MOINES—The Iowa department has set two hearings for Bankers Life & Casualty in connection with its use of the "White Cross plan" in its advertising.

The first hearing has been set for March 27 on the question of its agents using what the department describes as misleading advertising. The second hearing March 29 will be on renewing the company's license April 1.

District Judge Franklin recently granted the company a permanent injunction preventing the department from revoking its license because of the use of advertising on the White Cross plan. He held the commissioner did not have the authority to revoke the company's license. The state department is

expected to appeal that decision to the state supreme court.

The first hearing is expected to involve the question of agents' licenses, as the commissioner has authority to revoke an agent's license for using misleading advertising. The hearing on the company's license will also bring up a different issue, as the commissioner will not be revoking its license but will question issuing a renewal.

Finds Recruits With Ants in Pants Make Good Agents

(CONTINUED FROM PAGE 4)

Life of Iowa, said that it does a manager good to take an objective look at his agency, just as if he were a new manager on the scene, delegated to straighten out an agency.

Mr. Fraser adopted this attitude a year ago. He comments:

"First, I took inventory of what kind of agency I had to start with, men, business, cost, and what the territories' potentials were. Let me say right here if you will do this first step and be honest with yourself, you will find the old Chinese proverb still true: 'He who seeks finds and sometimes finds what he would rather not.'"

"The inventory picture was not pleasing in many ways: There were some parts on the inventory balance sheet of which I could be proud, but in many ways I was embarrassed and, in fact, ashamed of the cold facts when I faced them objectively."

Mr. Fraser found he was wasting time with poor agents. He was failing to delegate responsibility. He was too often doing work he wanted to do rather than the more unpleasant tasks which had to be done if his agency was to be successful.

Covers Catastrophes

The cost of hospital care up to \$10 a day for 365 days for each illness will be paid under a new provision for certain health policies issued by Connecticut General Life.

The provision was designed to protect against "catastrophic" expenses of disease involving long hospital treatment. No diseases are excluded.

The new benefit can be added to all new health policies and to some previously issued. In the past hospital benefits were limited to 70 days.

A small additional premium charge will be made for the additional coverage, varying for men and women and for age groups. For men between 18 and 50 years of age, the extra charge is 85 cents a year for each \$1 a day of hospital cost covered by the policy.

O'Toole Is Dinner Speaker

Raymond J. W. O'Toole, partner in O'Toole Associates, will speak on a self-administered leadership training program at a March 30 dinner of Society of L.O.M.A. graduates in New York City.

Southwestern Advances

Southwestern Life has created the office of 2nd vice-president and advanced three veteran officials to that post. They are R. R. Davenport, assistant agency director and director of sales; Walter N. Graham, manager of the bank service, salary savings and group term departments, and A. D. Harder, comptroller.

Rockford Congress on April 22

The sales congress of the Rockford Assn. of Life Underwriters is planned for April 22. Among the speakers will be Harold Cummings, president of Minnesota Mutual, William King, general agent Fidelity Mutual Life; Ray W. Russner, regional supervisor for Prudential; Roe Walker, assistant director of agencies for Northwestern Mutual; William E. North, manager of New York Life, Chicago, and Sam Becker, certified public accountant of Chicago.

Kibrick Gives Business Life Insurance Talk at N. O.

Isaac S. Kibrick, New York million dollar producer of Boston, talked to New Orleans Life Insurance & Trust Council on "Business Life Insurance, Where, When, How."

Mr. Kibrick pointed out that there are three different valuations set on a man's business—his, his wife's and the court's. Business men should commit to paper their valuation while they are living to avoid misunderstandings after they have died.

A life agent, he said, should discover the possibilities for loss on the death of an owner or a valuable employee. He should then bring these situations to the attention of his prospects so that these potential losses could be covered by life insurance. Through buy and sell agreements, supplemented by life insurance, a market could be assured for a man's business interest after he is gone. Without such an arrangement, heavy losses may occur in the settlement of his estate.

Where there is a ready market for his business interest, a man should have this buy and sell arrangement as a yardstick for valuation of his interests for tax purposes.

The alert agent should keep his eyes and ears open so that he may know of these business situations. He should thoroughly investigate the conditions surrounding the business of his prospects before he calls. Having the facts at his fingertips, he can do a sincere and complete job.

New Travel Policy

Continental Casualty has brought out a policy called "Travelmaster" giving \$25,000 travel accident cover at a \$25 annual premium. The coverage is world-wide and extends while the assured is a passenger in any air, land or water conveyance licensed for transportation or passengers for hire, as well as on any aircraft operated by a U. S. or British military or naval air transport service. The policies are put up in books with 10 policy sets to a book. A set consists of the policy and three copies. Policies may be typewritten or hand-written in one operation, completing all copies.

Continental is paying 35% to general agents and 25% to producers.

New Jefferson National Plans

Jefferson National Life is issuing a new combination protection plan and has revised its individual and family group hospitalization policies.

The combination plan consists of A. & H. plus life insurance. The A. & H. portion provides lifetime accident benefits beginning with the first two years. House confinement is not required.

The hospitalization plans now cover hospital and special nurse expenses and are written in amounts from \$5 to \$15 per day. Full indemnity is paid up to 100 days.

Breaks Takes Bank Post

Jackson D. Breaks, financial secretary for Penn Mutual Life, has resigned to become 2nd vice-president of the Chase National Bank in New York City. He has been in the institutional investment and lending business since graduation from the University of Pennsylvania in 1926.

Great American Reserve has promoted Charles D. Scott to 1st vice-president and M. F. Woods to assistant secretary. Mr. Scott has been a vice-president.

Guardian International Life of Dallas has promoted D. R. McKee to vice-president and actuary; John A. Beard to vice-president and agency director and I. A. Quinsberry and W. E. Mistrot to assistant secretaries. Mr. McKee has been actuary and Mr. Beard assistant secretary.

FTC Has Only a Little Peek at Insurance: Carson

ST. PAUL—Continued growth of insurance companies as long as they give adequate service was predicted by John Carson, member of federal trade commission, who addressed the annual meeting of the Service Life, Service Fire and Service Casualty here Tuesday.

F. F. Rondeau, general manager of the three companies, said insurance now has more influence on government than banking because of the tremendous reservoir of investment funds they can put into government channels.

In his address Mr. Carson had this to say about FTC and insurance:

The insurance business was once only a service, by the way, a cooperative service, of neighbors to protect and insure one another. It became a business when it developed its plan for ownership of reserves which it had to invest. We must now think of it as an investment business, because its problems and burdens are related to its business of investment.

Serves as Check on States

FTC has very little authority in the regulation of the insurance business, as of today. A few years ago, the Congress was induced by the insurance companies to place in the state governments almost complete regulatory control over the insurance business. The only authority left with FTC is authority to check to determine whether the states have provided for effective anti-monopoly regulation of the industry.

I might tell you that two of my very good friends who are high officials in the insurance business, and who are men of great vision, think that the welfare of this business is dependent upon the development of some form of regulation and control by the national government. Because the business is an investment business, and because investments cannot be restrained by state boundaries, I think my friends have vision and that they are endeavoring to insure a minimum of government control and a maximum of free enterprise within this industry. Perhaps I am wrong—but we shall see. I can only assure you now that until the Congress directs us to assume responsibility and authority in this field, we shall stay out of it. We shall do only that which the law directs us to do, as of the present, and that is very little.

The insurance business has a tremendous responsibility to the public interest today. I think it might well be that the responsibility centered in this industry is greater than in almost any one other industry—except perhaps the industry of food production and distribution. The insurance companies control, in large degree, the credit arteries of our commerce—yes, they exert a tremendous influence on the credit policies of our government.

Kirchamier Rejoins L. & C.

Dr. Carl T. Kirchamier has returned to Life & Casualty as associate medical director to assist in a program of expansion. He will also supervise health and welfare among home office employees through the company's dispensary which he set up during his previous connection with the company 1940-1942.

He resigned from Life & Casualty in 1942 to become medical director of Aetna Life. Since 1944 he has been in private practice at Cincinnati.

North American Life Ups 3

North American Life of Toronto has advanced E. D. Gibb and D. T. Weir from assistant to associate actuaries, and A. R. McCracken to assistant actuary. All are fellows of the Society of Actuaries.

SOME HIGHLIGHTS FROM OUR 1949 RECORD

New Business During the past year our representatives sold 39,000 life insurance policies for \$236,274,000 and 2,400 individual annuities providing for annual incomes of \$1,175,000. Of the life insurance sold \$33,293,000 was placed through the Group Department which also produced new group annuities and other forms of group coverage with premiums aggregating \$1,414,000. With the exception of 1947, the 1949 production exceeded the amount sold in any year since 1929.

Total Membership Our life insurance in force continued its satisfactory record of increase, and now amounts to 661,000 policies with an aggregate face value of \$2,948,495,000, including group insurance. The gain for the year was 17,000 policies and \$162,608,000 of life insurance. This evidences the continuing growth of public recognition of the need for life insurance and efficient activity on the part of our expanding organization of sales and service representatives.

Income payments under 15,000 annuities amounted to \$4,581,000 in 1949, and the 26,900 deferred annuity policies now in force will, at maturity, provide future income payments of \$15,083,000 yearly.

Interest Earnings The net rate of interest earned in 1949 on our total ledger assets and calculated in the customary manner was 3.21%, or slightly higher than the 1948 rate of 3.17%. However, in order to minimize the effects of market fluctuations on our stock holdings, we have adopted the practice of applying a portion of the dividends received on stocks, in excess of a conservative rate of return, to writing down the purchase price. Extending this principle to the calculation of the interest rate results in a net rate for 1949 of 3.14%, and in the future interest rates will be reported on this realistic basis.

Policy Dividends and Interest Payments The Directors have voted that the schedule of dividends effective since June 1, 1949 be continued during the year 1950. More than \$14,500,000 has been set aside for the payment of dividends in 1950, an increase of \$850,000 over the previous year's allotment. Furthermore, there will be no change in the rate of interest on funds left with the Company. Interest at the rate of 3% per annum will be continued during 1950 on dividends left to accumulate and on policy proceeds left with the Company for future distribution to policyholders and beneficiaries.

Payments to Policyholders The Company paid \$64,382,000 to policyholders and beneficiaries, an amount larger than in any previous year. Living policyholders received \$38,462,000 and the beneficiaries of deceased policyholders received the balance of \$25,920,000.

Efficient Service For the best interests of present and future policyholders, it is important that we maintain an adequate staff of high-grade sales and service representatives in the areas assigned to our general agencies and group offices. The first step toward meeting this requirement is the recruiting of men and women selected carefully for a lifetime career with the Massachusetts Mutual. The constant attention given to this phase of our operation has been intensified, and good progress is being made.

Fully conscious of the need for the thorough training of field representatives, we have expanded and improved our training facilities, and our educational material is now being further modernized. In addition to a course of study in the fundamentals of life insurance selling, supervised by their local agencies, many new members of our general agencies and of our group offices attend schools conducted at the Home Office.

In meeting the ever-increasing need for helping the individual to determine wisely the amount of life insurance he requires and to program his insurance for the job it has to do, the Company has produced and furnished the "Design for Security" for the use of its field representatives. The intelligent use of this comprehensive material has proved effective in rendering valuable service to policyholders and has resulted in many enthusiastic endorsements by them and by our general agents and field representatives.

The "Design for Security" was introduced through a series of schools where direct personal instruction was given in the efficient use of the material. Continuing instruction and use is expected to expand the value of this program.

The Chartered Life Underwriter designation, awarded to those who successfully pass the examinations and meet other requirements of the American College of Life Underwriters, is held by 114 of our sales and service representatives. Many others are taking the prescribed study course and are making progress toward the completion of the examinations.

A complete Annual Statement will be furnished on request to the Home Office or any Agency of the Company.

Massachusetts Mutual
ORGANIZED 1851

LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS

“Veterans today have a
head start toward
a life insurance program”

*A statement of special interest
to the men who served
in World War II*

by **MAJOR GENERAL**

CARL R. GRAY, JR.

Administrator of Veterans Affairs

“No other generation has had such an opportunity. Yet I wonder how many veterans are really taking advantage of it.

“The employed veteran today usually has National Service Life Insurance which costs him very little.

“Social Security is steadily building a fund for him and his family.

“Like one-fourth of all employees today, he may also share in a Pension Fund.

“What now remains is for him to bring such elements together into a single, coordinated plan that will fit his individual needs. And he will usually find he has the foundation for a program of family security of which anyone could be proud.

“Just as railroads schedule their trains, so the veteran should plan his economic future. I know of no better way of building up an estate than by having adequate life insurance.”

★

**WHY POLICYHOLDERS ARE SO LOYAL
TO NORTHWESTERN MUTUAL...**

THIS company is one of the six largest. It has over 90 years' experience and an outstanding reputation for low net cost.

This emphasizes that there are significant differences among life insurance companies. It is one reason why each year nearly half the new life insurance issued by this company goes to those who are already policyholders.

Your Northwestern Mutual agent is especially qualified by both training and experience to give sound, understanding advice. You will do well to call upon him for help in bringing together into one effective program all those elements upon which you rely for family security.



A NORTHWESTERN MUTUAL POLICYHOLDER. General Gray has been insured with this company since 1912

KARSH, OTTAWA

The **NORTHWESTERN MUTUAL** *Life Insurance Company*

MILWAUKEE, WISCONSIN

APPEARING IN: TIME, MAR. 13; SATURDAY EVENING POST, APR. 22